



Daily Report

Latin America

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CONTENTS

18 October 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Castro Speaks at Close of PCC Congress [Havana TV]	1
Havana Radio Commentary [Havana Radio]	3
Castro Speaks at Santiago Hotel Dedication [Havana TV]	4
Commentary on Drug Problems, U.S. Intervention [Havana Radio]	8
Regional Customs Office in Puerto Rico Opposed [Havana Radio]	9
Former KGB Director Predicts End to Castro [Mexico City NOTIMEX]	9
Opposition Reports Three Dissidents Sentenced [Mexico City NOTIMEX]	9
AFP: Four Released	10
British Envoy Foresees No Obstacles to Trade [Havana Radio]	10

Barbados

CDB Head: U.S. Blockade of Cuba 'Blessing' [CANAL]	10
Sandiford: Progress in IMF, World Bank Talks [CANAL]	11
Opposition Urges End to U.S. Embargo on Cuba [Bridgetown CANAL]	11

Haiti

Aristide Says New Government Can Be Negotiated [Mexico City NOTIMEX]	12
--	----

MEXICO

* PRI Restructuring Plans for States Noted	13
* Political Awareness Cited [LA JORNADA 24 Sep]	13
* Coordinator on Guanajuato [LA JORNADA 24 Sep]	13
* New Coordinators Named [LA JORNADA 25 Sep]	14

CENTRAL AMERICA

Costa Rica

Calderon Returns From U.S., Announces Agreements [Panama City ACAN]	15
Denies Bush Inquiry on Envoy [Mexico City NOTIMEX]	15

El Salvador

Agreement To Eliminate Intelligence Directorate [San Salvador Radio]	15
Interview With FMLN Commander Melendez [Radio Venceremos]	16

Panama

Government Calls Guerrilla Presence 'Mere Gossip' [EL SIGLO 17 Oct]	17
Public Force To Create Antiterrorist Unit [EL PANAMA AMERICA 12 Oct]	17
PDC Leader Urges New Police Chief Appointment [LA PRENSA 15 Oct]	18

SOUTH AMERICA

Argentina

OAS Help To Strengthen Democracies Sought [NOTICIAS ARGENTINAS]	19
Government Will Not Ask for IMF Dispensation [Buenos Aires Radio]	19
Trade Balance Surplus Drops 36.2 Percent [BUENOS AIRES HERALD 11 Oct]	19
* Lupa on Prospects for Congressional Support [LA PRENSA 13 Sep]	19
* Daniel Lupa Analyzes Postelection Issues [LA PRENSA 12 Sep]	20
* Subject, Timing of Political Talks Reported [LA PRENSA 14 Sep]	21
* Angeloz Criticizes Cavallo's Deregulation Stand [LA PRENSA 14 Sep]	22
* Alfonsin Seeks Closer Ties to De la Rúa [LA PRENSA 11 Sep]	22
Anonymous Callers Demand Seineldin for President [NOTICIAS ARGENTINAS]	23
Renewal, Change Movement To Become New Faction [BUENOS AIRES HERALD 16 Oct]	23
Cabinet Suspends Judicial Self-Sufficiency [BUENOS AIRES HERALD 11 Oct]	23

Brazil

Agriculture Minister Asks U.S. To Cut Tariffs [Brasilia Radio]	23
Long-Range Satellite Project Signed With PRC [Brasilia Radio]	24
Further on Satellite Agreement [O GLOBO 16 Oct]	24
* Mercosur Nations View Parallel Patent Accord [GAZETA MERCANTIL 7-9 Sep]	24
Marques To Implement IMF Anti-Inflation Program [FOLHA DE SAO PAULO 14 Oct]	25
General Warns of Crisis Jeopardizing Democracy [Madrid EFE]	25
* Zero Industrial Production Growth Foreseen [GAZETA MERCANTIL 21-23 Sep]	26
* Avibras Adapts Astros II for Coastal Defense [GAZETA MERCANTIL 6 Sep]	26

Chile

Officials on Possible Pardons of Prisoners [Santiago TV]	27
Son of EL MERCURIO Owner Kidnapped [Santiago TV]	27
Israeli Group Claims Responsibility [LA TERCERA DE LA HORA 28 Sep]	27
* 'Coordination Problems' Noted in Letelier Case [Santiago TV]	28
Suspect in Senator Guzman Assassination Indicted [Santiago TV]	28
Terrorist Group Attacks 3 Mormon Temples [Santiago Radio]	29
Police Arrest Five FPMR, Lautaro Group Members [Santiago Radio]	29
Weekly Reviews Different Factions of FPMR [ANALISIS 30 Sep-13 Oct 91]	29
Officials Successfully Fire Lightning Rocket [Santiago Radio]	30
Army Production Projected [Madrid EFE]	30
Project on Foreign Investment Approved [Santiago Radio]	30
Commercial Agreement Signed With Poland [Santiago Radio]	30

Colombia

Border Crime Agreement Signed With Venezuela [Santa Fe de Bogota TV]	31
Congressional Candidate Freed by EPL [Santa Fe de Bogota TV]	31
Rocket Fired at Police Garrison Damages Homes [AFP]	31
Roundup of Guerrilla Activities 7-16 Oct [EL NUEVO SIGLO 6 Oct, etc]	31

Paraguay

Yacyreta Hydroelectric Project Talks Conclude [ABC COLOR 17 Oct]	32
--	----

Peru

Legal Action Against Former President Approved [Madrid EFE]	33
* Poll Indicates Support for Insurgents Rising [QUEHACER Jul-Aug]	33
Names of Arrested Guerrilla Members Published [Lima TV]	38
Roundup of Rebel Activities 5-12 Oct [Lima TV, etc]	38
International Bids for Nuclear Center Sought [Madrid EFE]	39
Government Cancels Asylum for Two Panamanians [AFP]	39

Uruguay

Mercosur Summit in Punta del Este Confirmed	[Madrid EFE]	39
Fishing Company With Soviets To Be Formed	[EL PAIS 30 Sep]	39

Venezuela

Presidency Clarifies Perez Remarks on Haiti	[Madrid EFE]	40
* Privatizations Cause Anxiety Among Workers	[EL DIARIO DE CARACAS 20 Sep]	40
* Commission Threatens To Block CANTV Sale	[EL DIARIO DE CARACAS 4 Oct]	41
* Central Bank President on Inflation, Debt	[EL DIARIO DE CARACAS 16 Sep]	42
* Commentary Analyzes AD Internal Elections	[EL DIARIO DE CARACAS 11 Sep]	44

Cuba

Castro Speaks at Close of PCC Congress

FL1810022091 Havana Cuba Vision Network
in Spanish 0130 GMT 17 Oct 91

[Speech by Cuban President Fidel Castro during closing session of the Fourth Congress of the Communist Party of Cuba, PCC, at the Heredia Theater in Santiago de Cuba on 14 October—recorded]

[Text] As you can see, there is a great deal of young blood in this politburo. That is very good. Excellent. We needed this injection. There is a good balance among the various sectors. The party is well represented, with excellent cadres from among the rank and file, just as the previous politburo was represented by valuable comrades heading the party's rank and file, but who, because of the reorganization, have been replaced by equally qualified comrades with merit and ability. There is a good balance between military and civilian, even though we are all equal here. For the sake of national and international opinion, there would have been more military personnel here if we were to acknowledge the merits of our Armed Forces. But in reality, we must establish a balance through representatives. The women are well represented. The number of women here has not been reduced. Their numbers have actually increased. While there were a total of 27, now there are 25. [as heard] Important programs need to be developed by those present. It seems to be a promising reorganization.

I spoke of it, and I do not wish to repeat too many things, in the first session of the Central Committee. I think it is one of the best things our party can do because I believe one of the problems the revolutionary movement has had, the revolutionary parties and the Communist parties have had, is, among other things, a lack of adequate reorganization. As a matter of fact, situations have occurred. A man would come along, acquire a great deal of power, a tremendous deal of authority. He became all-powerful. Sometimes new values would crop up—I am referring to international experiences—but they would be obscured so as not to overshadow or compete with those in power. The phenomena of personality cults have been seen in several countries. Sad things have occurred within the revolutionary movement which, luckily, we have not experienced. We have had the privilege of something as decisive and fundamental as reorganization. The participation of different generations, those who are older, with more experience, working together with the worthy and capable youth.

There have been times when the party directorate, the leaders, grew old, very old, and there was no infusion of young blood. That has not happened within our party. This time we have thoroughly reorganized. More than ever before, we have drawn representatives from the various sectors. You must remember the history of our revolution. We have gathered together not only those who fought in the early years, but those who are fighting

for today. Above all, we have brought together those who must tackle the tasks of these exceptional moments.

What gives us more confidence in the party and in the quality of the party is the fact that we can merge different generations, gradually attaining historical continuity, assuring the continuation of our principles. Nothing built on personality can last. Nothing built on men, on individuals, can endure. What is built on institutions, on groups, on the people, on the party, lasts. The important thing is that principles always predominate in our party, never ambition, opportunism, abuses. The important thing is that there is renewal in our party. Each generation will be called upon for different things. Each generation will face new and difficult challenges. Men and women change, but principles remain. We must ensure that.

We must guarantee that Marx's principles endure; that Marti's principles endure; that the principles of our unique, heroic revolution, the culmination of many thoughts, endure; that the ethics of our party will endure; that the purity of our party will endure; that the revolutionary spirit of our party will endure; that the heroism and courage of our party endure; that the glorious traditions of our party will endure; and that the misfortunes visited upon many other parties, never happen to ours. [applause]

[Someone shouts: "Viva Cuba;" crowd chants: "Viva"]

We are proud of the spirit that has prevailed in this congress. It shows our progress. We are proud of the democratic spirit and the freedom of ideas that have prevailed in our party. We are proud of the honesty that prevails at this congress of our party. We are proud of the revolutionary spirit that has prevailed, proud of the integrity. Look at how many comrades have been reelected to the Central Committee. Many of them are here. Those who are not here as guests are here as delegates. There is no resentment. Such loyalty such purity, as shown by their actions, their voting records.

For our work to endure, and we want our work to endure, it is necessary that the role of our people in history endure. It is necessary for the qualities we have been adding to our work endure and grow stronger. It is necessary that our party become more democratic, more united, more steadfast. [applause] It is necessary that we be the ones who teach lessons in democracy, and not others who think they can come here to teach us what democracy means. It is necessary for our political system to be more and more democratic so that no one can ever come to teach us lessons in democracy. No matter who may want to come here and compete with us, we must be the ones who can tell them, this is democracy, this is participation of the people, this is freedom. Nothing can be more democratic than a party or a nation with such a great political culture, with a great political awareness, educated in the fairest principles that man has ever been able to devise.

This is not the era of the French Revolution when they said liberty, equality, fraternity. That revolution resulted in none of that. It was a noble attempt on the part of thinkers and philosophers. But, since capitalism emerged from that revolution, what freedom could the beggar, the man who had nothing, have? What freedom could the beggar have in comparison with the millionaire, the multi-millionaire, the powerful. Even after that revolution, there were still counts, marquises, dukes, et cetera. What kind of equality can there be in a society of classes, in a capitalistic society, in a society where man exploits man? What kind of fraternity can exist in a society where man, as Engels said, eats man? We have been achieving all the values that man dreamed of for so long. We must make them last. We must make them more sound.

This congress has been a tremendous step forward in that sense, and we have not set a single principle aside. We have done what we believed should be done to improve our party, to improve our system. We will continue fighting. We will continue making improvements without any concessions. We have taken important steps, and the importance of this is that we are taking them in extremely difficult times. We are taking them with great determination and we are not renouncing our principles. Rather, we are reaffirming our principles. We will not abandon them; we will defend them with greater strength and energy and more determination than ever before. That is what is important.

We are aware of the world we are living in, of the drama that the world lives. We are aware of the strength of our adversary, the strength of the reactionaries, and the power of imperialism. However, we do not hesitate to challenge those powers. We are aware of the weaknesses of the revolutionary movement, of the colossal mistakes made within the revolutionary movement, of the desertions of those who one day were our allies, of the terrible adversities currently being confronted by those who were our best friends, of the dangers that threaten that nation which was our best ally, the Soviet Union.

But none of that discourages us. None of it weakens us. It strengthens us because we know that our cause depends more on what we do. Our sacred ideas depend on what we do. Our responsibility is greater, and so to a greater degree, the banners of social justice and socialism are now in our hands. And nothing will ever make our people waver. [applause]

No matter how difficult the situation may become, more difficult situations have been confronted by previous generations of Cubans. Even if we have to go back to living the way the Mambises lived between 1868 and 1878, even if we have to go back and live in La Manigua, even if we have to go back to climbing mountains, even if we have to go back and live the way we lived on Sierra Maestra, even if we have to live in hell itself—or what they call hell; there is nothing, nor can there be anything, that will discourage us and make us lose the trust and faith we have in our party, in our fellow party members,

in our people. No one will make us lose trust in our victory. Only those who fight are respected. [applause] Only those who fight can win. [applause] Only those who resist will triumph. [applause] That is why we do not have to worry, because we know we can fight and we know we can resist. It is no longer a task for a handful of men, it is a task for hundreds of thousands of communist militants; it is a task for hundreds of thousands of communist youth militants; it is a task for millions of patriotic fellow countrymen, even if they are not party members or members of the communist youth; it is a task for all who have a very deep revolutionary awareness.

We voted on something today that caught my attention. It represented the feelings of the participants at this congress. At this congress we all voted and we all chose. During this congress, Comrade Alarcon [not further identified] [applause] got the most votes except for Raul and for me. [applause] He got all but four of the votes. I said to myself: this shows the spirit of our delegates, their internationalist spirit, their anti-imperialist spirit, [applause] their anti-hegemonist spirit. It is their condemnation of the alleged new order that is attempting to establish itself in the world, and which we will not accept. [applause] These are facts that show how we feel and think. They prove how deep the revolutionary spirit, the values of the revolution, the values of freedom, the values of justice, and the values of human dignity are embedded within us. What makes a man prefer to die a thousand times rather than renounce such values? What makes a man despise those who are not capable of defending them? What makes a man despise those who would prefer to live without honor, fatherland, and principles? What makes a man despise those who prefer material values over moral values, over spiritual values?

That is what makes each of us willing to fight to the death. That is what makes each of us—the comrades elected members of the Central Committee—choose death over dishonor. They would rather die than renounce their principles. What is life without honor? What is life without principles? What is life for us without the fatherland, without the revolution, without socialism? What is life for us if we cannot walk with our heads high? What is life for us without the pride of being the children of this country, without the pride of being revolutionaries, without the pride of being courageous, without the pride of feeling capable of challenging every risk, without the pride of feeling capable of confronting threats, dangers, and any force, no matter how powerful it might be? [applause] What is life for any of us without that?

And we are not alone. We all have loved ones, we all have family, and we know that our future will be their future. What we do not want for ourselves, we do not want for our loved ones. What we do not want for ourselves, the past we knew or have heard of, we do not want for any of those we love.

No one wants to return to the days when our sons could become beggars and our daughters become prostitutes. No one wants to return to the days when a person could be discriminated against because of color or sex. No one wants to return, or wants his loved ones to return, to the days of outcasts, when man was humiliated, trampled, despised. That is not a choice for us; it is a choice for all those we love. It is the choice for the people we love so deeply. And that is why we are so determined, so strongly determined. Nothing and no one will be able to destroy that determination.

This entire Central Committee could die, but it would not weaken us. We would be strengthened because, after us, they would have to kill the whole congress. [lengthy applause] But we would not be weakened because after the congress, they would have to kill the party members, the entire party, every member of the Union of Young Communists. [applause] We would not be weakened because after that, they would have to kill all the people. [applause] But we would not be weakened because after us, they would have to kill thousands upon millions around the world who will never accept exploitation, hunger, and injustice. [applause] After that, they would have to kill the example, but examples are immortal. After the example, they would have to kill the most equitable ideas that have ever existed, and such ideas are immortal. [applause]

We are, therefore, invincible. Just look at what a small country can do. We are the spark of the resistance against the repulsive world they attempt to force on us, resistance against the 1,000-year order that Hitler tried to impose, and which today the Yankee imperialists hope to impose. That resistance is headed by us. [applause] We represent that resistance. [applause]

None of us will ever forget that we began our meeting here on 10 October, on that glorious and exemplary date that brings back so many memories, including the memory of Baragua. Baragua is the expression of that spirit we are talking about today. It reminds us of those men who said no. It reminds us that when we hardly had a liberating army, they also said, no, we will continue to fight. Today, all this history encompasses and symbolizes our struggle. That is why we will never forget that the standard bearers of those ideas were here today; that the front line soldiers, the soldiers who defend that idea, or those ideas, have been present here throughout this meeting. We, the men and women who head that resistance, who head that struggle, and who have had the privilege of meeting here as representatives of our glorious and heroic party, will fulfill our duties.

Many times we speak of history, of historic feats and events. Because we know what we are doing when we are doing it, because we know what we are willing to do, and because we are strongly aware of what this struggle represents for the world, we can honestly, and with every right, say that we have had the great honor of participating in this historic, this historical, congress. [applause]

On the first day of the congress I said that perhaps the closing session would be the most important; however, it is not possible for something to be more important than the development of the congress, its contents, or the wealth of the discussions held here. Nothing can be more important than what was said or felt here. I really have nothing new to add.

If I were to change what I said that day, that because of its contents, the closing session would be better, or more important than the inauguration, I would have to say that this closing session has been packed with emotions, that this closing session has been the most intensely lived moment of this congress, and that this closing session has been the happiest in our lives. [applause]

It is worthwhile to wish this heroic party a long life, to wish our party members a long life, to wish our beloved people a long life, happy future, and much success and glory. [applause]

For once, and not because I am changing our slogan, I will not say socialism or death, but rather socialism, because there will be socialism. [applause]

I will not say fatherland or death, because there will be a fatherland at any cost, and because we will take the lives of those who may try to take our fatherland. [applause]

Havana Radio Commentary

PA1710161091 Havana Radio Havana Cuba
in Spanish 0000 GMT 17 Oct 91

[Commentary by Roberto Morejon]

[Text] The Communist Party of Cuba [PCC] has succeeded in turning its fourth congress, which concluded on 14 October in Santiago de Cuba, into a platform of ideas and proposals that were streamlined following ample discussion by the more than 1,700 attending delegates. Starting with the process that preceded this significant Congress, the organizers were keenly interested in listening to the largest number of Cubans possible, who were encouraged to express their views on the significant preparations for the fourth congress.

Millions of Cubans submitted proposals, offered criticism, and warned about irresponsible actions and mistakes over the course of more than 80,000 meetings. Their views were considered and in some ways included in the proposed documents, after they went through an inevitable period of study. The delegates who attended the PCC meeting continued the debate, where they proved their forthrightness, honesty, and confidence without eschewing debate on controversial items, which is why the daily debates ran for over 13 hours.

The delegates who were unable to speak due to a lack of time were urged to express their views in writing to the new PCC Central Committee, which is comprised of men and women of extensive political and technical training. The lifting of the ban on religious believers to join the PCC is also considered noteworthy in efforts to

expand the social base of the revolutionary process and give everyone greater participation, even in the PCC.

We must not fail to consider that the breadth of information given to the people on the debates and agreements of the Congress is also part of the efforts to make the important Congress felt even in the remotest areas of the country. The Cuban people received first-hand data on the seriousness of the economic situation, imbalances in the delivery of products agreed upon with the Soviet Union, planned efforts to find solutions, and the perils of the immediate future.

Whether PCC militants or not, the Cuban people felt that they had participated in the recently concluded Congress, and have so reaffirmed it by joining provincial rallies in support of the agreements.

Castro Speaks at Santiago Hotel Dedication

FL1710205091 Havana Cuba Vision Network
in Spanish 0212 GMT 17 Oct 91

[Speech by Cuban President Fidel Castro at the dedication of the Santiago Hotel in Santiago de Cuba on 15 October—recorded]

[Text] Dear Comrades: It was not on the schedule for me to make a speech here, because there have been all kinds of speeches in recent days. But, in any case, I feel I have a duty to say a few words. Dedicating a hotel like this one can be very simple and take only a few minutes, but building it takes years of work and millions and millions of hours of effort. I can imagine when you came here for the first time and there was nothing but an empty lot where you had to begin to prepare the ground for construction. I can imagine the architects drawing up the first plans, working out ideas. I remember very well the concerns we had about the hotel, whether it could be built in the required time, whether it would cost more, the materials that were needed, where we were going to get them, what each of them would cost, etc.

We have followed the hotel's progress closely. We asked how the hotel was going, and told you when it was behind schedule, that the hotel was at 5 percent, or 10 percent, or 15 percent of completion. This really became a great challenge for the construction workers of Santiago de Cuba Province. This hotel had two objectives. It was going to be used partly for the congress, then for the Pan-American Games, and mainly for tourism.

But obviously all the difficulties were overcome. As the chief of the contingent said, one of the most notable things is the fact that those who came to build this hotel had no experience in construction. There were not that many construction workers in Santiago. There were many Santiago residents building things elsewhere. Therefore, we had to train the personnel. A hotel like this was not just any old thing. A hotel like this was not a simple thing like the buildings the minibrigades make, or a two-star or three-star hotel. This was a five-star hotel.

I am going to tell you the truth: I did not know what a five-star hotel was. [laughter] A short time ago when I traveled to the inauguration of a Latin American president, I stayed at a five-star hotel. I looked around, and looked again, to see what a famous hotel was like, what the elevators, the rooms, the furniture, the construction, and the landscape were like. But we had never had a five-star hotel in Cuba. This is the first five-star hotel in Cuba.

Now, how does it look to me? I find it more beautiful than any hotel I have ever seen. [applause] I remember a few months ago I came here and it was in the middle of being built. Many of these facilities ...[rephrases] they said here is such-and-such, the pool is over there, something else is over there. But you could not get an idea of what the hotel would be like, until I came here on the eve of the congress. I went up to the terrace, or the observation place they have up there. I observed the landscape. I toured several rooms and facilities, and really it seems to me to be a marvelous thing.

I was able to see the furniture, which was built in our country, and it is extremely beautiful. I felt proud that our country could make that furniture. I was able to observe the concept, the organization, and it also seemed marvelous. My attention was especially drawn to the hotel workers, and I saw a whole generation of young Santiago residents, who are well-trained and well-educated. They made a wonderful impression. They give one a feeling of confidence that this hotel will have excellent service, that this hotel will operate as it should.

This hotel will operate as it should. I found out that the hotel was going to be dedicated during these days, and the first people who were going to enjoy this hotel would be 150 couples of outstanding workers. [applause] So although it is for international tourists, Cubans are going to dedicate the hotel, and they will be the Cubans who most deserve it.

[Audience member says: We are here.] I am glad, and I hope you enjoy it, as you deserve to. [applause]

These hotels have been built mostly for tourism, for reasons you understand. The country has great natural resources, but there is no easy oil. It is not a matter of drilling a well and seeing the oil spout. We have spent many years drilling wells, and we intend to continue drilling wherever there is a chance until we find a little more oil. It is said that even around in the ocean there may be some reserves, and we are negotiating with some companies that have technology, machinery, and experience in that kind of work to see how we can exploit the reserves in a partnership, as we cannot do it ourselves. We do not have the machinery, the experience, or the ability, and if the oil is there, we need it for our development.

We do not have those easy resources. We have to earn our daily bread by harvesting sugarcane, cutting sugarcane, producing sugar. Which of you does not know how much work it takes to prepare the soil, plant the cane,

harvest it, cut it, take it to the mills, get the sugar from it, transport it to the ports, and export it, many times at ridiculous prices. The prices for the products of Third World countries are ridiculous, which is the opposite of the prices for the products of the rich countries. When they sell a pane of window glass like those, they demand a very high price. They pay wages of 1,000 pesos or more. We have to pay all this every time we have to import that kind of materials, and we have to pay them by cutting cane.

We need resources, because we have to buy a lot of materials. We have to buy manufactured goods; we have to buy food that cannot be produced here. You know that here we are not producers of [word indistinct] for bread. We do not produce malt, or barley. Our population is increasing; the need for food is increasing. We are not a cotton-producing country. Our climate is not suited for that. We have to buy cotton and cloth. We must buy all kinds of raw materials to do anything. We need money to be able to ensure the supply of basic goods for the people. We need medicines, because although we are developing many new types of medicines, and they are going to become an important source of income for the country, we do not have all the medicines we need. No country has everything. Some of the medicines have to be imported. We have to import medical equipment, because although we are producing more and more medical equipment, we do not have all we need.

We have to buy all kinds of equipment—transportation vehicles, agricultural machinery, lathes—in short, all of you know we have to buy things.

A lot of that used to come from the socialist bloc. We cannot talk about the socialist bloc today. In the socialist bloc, they paid us fair prices for our products. Such prices do not exist today. The deliveries were certain. Today deliveries are not certain. Before, there were deliveries of galvanized steel pipe for building housing or anything. There were deliveries of steel that was rolled for... [changes thought] today, none of that is delivered. In fact, even when it has been agreed on, we are left here waiting for the ships with the goods and they do not arrive.

I am telling you this to explain to you that we need to find resources. What we would like most is for everyone to enjoy these hotels, but we have to choose between hotels and food, between hotels and clothes, between hotels and raw materials for domestic use, between hotels and medicines, between hotels and many things. Tourism is not always understood by the people as well as it should be. In some places, especially in Havana, they look at tourism as something that is taking something away from them. If a new hotel is built that did not exist before, and the hotel is for foreign tourists, they think that the foreigners are taking it away from them. It is the same as if people thought that the nickel we produce for export was being taken away from them, or

if people thought the sugar we produce for export was being taken away from them. It is not as well understood everywhere.

In the country's provinces there is generally a lot of understanding, and people are glad to have new centers, new jobs, well-paid jobs. They have jobs that, for better or for worse, are easier than going down in a mine or pulling weeds in the summer or cutting cane, with the heat and humidity in our country. I have observed that generally, development for tourism is well received in all the provinces, and there is more understanding, and there are benefits. We are building some of these hotels in partnership with foreign companies. We are building others with our own capital. We always prefer the hotels that are ours, because we can manage them better. We have more freedom in using them, so that when there is extra capacity, we can use it in the summer for our people, because we want our people to enjoy all these things as much as possible. If the hotel is a joint enterprise, what we pay in pesos is converted into hard currency, and we have to pay for the rooms partly in hard currency.

For our part, we are building all the entirely Cuban-owned hotels we can. We have to build other hotels in partnership with some company. We put up the work force, the construction, a lot of materials—cement, stones, sand—but we must buy other things, such as elevators, air-conditioning units, and that kind of equipment. We have to buy them with hard currency. In any case, the hotels are good business. The capitalists who invest quickly recoup their money, and we also recoup our money, everything we have done on the hotel, in the same period of time.

It could become a great source of income for the country. It could one day become a source of income as important as sugar. Think of the more than 500,000 workers in the sugar industry: in agriculture, industry, transportation, and all that. Through such exploitation of our natural resources—which are our sun, our climate, our waters—we can develop great wealth. We can create hundreds of thousands of jobs, good jobs, well-paid jobs, for our workers. We can also create jobs that are pleasant, jobs in which you work not only with your hands, but also with your mind, jobs that require a high level of education, jobs that are easier than many other jobs we know.

We are now thinking about all kinds of business deals. We built this hotel ourselves. There are some who say it will be difficult to sell the 300 new rooms, because a hotel at a beach elsewhere would be easier. Now we have to market the hotel. There are some businessmen who have proposed a deal to us. They say: We are willing to put up the capital to build three more hotels, and we will go into partnership with you in this hotel. We are studying it, because if we are going to use 40 percent of the hotel, and a partner comes along and says he will go into partnership with us and build three or four hotels, or five or six more hotels with us, we can make a deal. That is what they say, that they can ensure greater use of the

hotel. We are studying it. We do not like to go into partnership in hotels we have already built. It would have to be something very useful and very suitable for us to accept it.

This is one of the operations we are studying. Santiago is something new. It is not Varadero. Everyone wants to go to Varadero. A lot of people even want to go to Havana, but there is not a lot of demand yet for Santiago. This tourist center is not so well known, although I think it is one of the best. I think the combination of the ocean and the mountains is wonderful, and the hospitality of the Santiago residents cannot be beat. [applause]

But we are inventing things, with these joint enterprise hotels. In Havana we built a hotel called Viejo Caribe. That hotel was for some so-called scientists who were going to cooperate with us in developing genetic engineering, but when we saw we were building that center and it was not going to be done through international cooperation, and that Cubans were able to solve the problems, we kept the hotel for ourselves. We said: Let us make a few changes, alter it, and turn it into a tourist hotel also.

It is there near the research center, and it turned out very well. A lot of doctors, a lot of scientists, who come here for international events, stay there. But there are also some rooms, and many of the scientists who work there—workers at the scientific and technical complex—go there for a weekend, a few days, or a week. In this case, the hotel has a double use. It is an incentive for all those workers. It has to be controlled, and it must be controlled because of the issue of who will be given the opportunity to stay there. Imagine if the manager put an ad in the newspaper, saying we are opening the hotel, we have 150 rooms, and whoever wants to can come.

It would surely not be the workers who participated in building it who would come. It would surely not be the outstanding workers. Those who would come would be those who have the most money, one of those black-market sellers who have a lot of money, one of those who steal a bottle of beer and sell it for 40 pesos, one of those who deal in cigarettes. They are the ones who have money. Who would come? The vagrants, those who do not contribute anything to society. It would be better to have controlled tourism, like the controlled tourism that has been done with the 150 couples who are going to be the first to stay at this hotel. [applause]

That is why we want hotels that are 100-percent Cuban. We can manage them better. Part of the year, at some time, we can also use them for Cuban tourists. Of course, that costs us money, because if you have Cuban tourists it is different. There may be a little hard currency store in a corner somewhere. We do not have money to be buying those things and selling them to anyone who has money. Many people have money today. If we sell the things at high prices, the tourists will not buy them. If we sell them at low prices, they will be sold out in five minutes. So

there may be a little store somewhere, out of necessity, out of painful economic necessity.

But we are thinking about our hotels in those months when they are not full, especially in the summer months, about giving them some use so our fellow countrymen can enjoy them, even if it costs us some money. It will cost us something. It will even cost us something in hard currency, because some of the food that is distributed at the hotels and everywhere always cost a little hard currency. With a joint enterprise hotel it will take a little more work, but we are improvising things. So we are improvising so that if there are 15, 20, or 25 rooms somewhere, even in a joint enterprise hotel, we can make some arrangement with our partner, and reserve some rooms for controlled, Cuban tourism.

But that must be earned, by good workers, good scientists, good teachers. In any case, Santiago residents should also receive their part, not just tourists. [applause] We are improvising. We do not know if we will make a deal. If we do business with this beautiful hotel, we will begin by asking for the hard currency we have spent here on this hotel. If it is 20, then 20; if it is 25, then 25; if it is 27, then 27, for our part. The rest is by halves. It is just that we built everything here. We would be partners. We would take our 25 million [currency not specified], shall we say—or whatever it is, because that would have to be discussed—and we would build another hotel like this one. Or we would build two more. Wherever we could get a dollar, we would build a hotel.

So we would not lose anything by going into partnership with the Spanish, in this case.

[Audience member says: Since it is in the heroic city, it has greater value.] Of course, we have to charge for that, also. [laughter]

We said: Well, how many hotels are you going to build and where? Bring in the capital and we will build several more hotels in partnership. But with our little bit of money—which is ours, which is what they will give us for this, what we have spent to buy many materials—we are going to build two hotels somewhere. Maybe they will not be five-star hotels, but they will be four-star hotels, in different places. We may build 500 or 600 rooms more, which will be ours.

Because, I repeat, there will be two kinds of hotels: hotels that are entirely owned by Cuban organizations, and hotels that are held in partnership. Today most of the ones we are building are Cuban-owned. But of course, to build all the hotels that could fit in this country, we need billions of dollars. About 200,000 rooms could be built in this country. We would need about 700 hotels like this one, or as big as this one, in this country, to be able to exploit the fabulous resources our island has. We have sun, clean air, clean water, and clean people.

Because Europe is poisoned. Thousands of factories pour their wastes into the Mediterranean. There is no oxygen

there, even. In addition, it is cold in winter. They have spoiled all the beaches because they built on the beaches.

The capitalists with their ambitions have no order. They have spoiled many of the beaches, while each of the beaches we have are virgin, like the beaches we have reached with the causeways. They have a guiding plan, an area for beaches and sand, and an area where the buildings are. So things are done well. Maybe we will not have as many rooms, but they will be more expensive rooms, because you can build 200,000 at one price, or 100,000 for twice the price. Because you should know that these days many tourists do not like high-rise buildings. They feel as if they are in a cage.

They prefer two-story or three-story buildings. They are a little more human, and they cost less, because you do not have to pay for elevators and a million other things. If you have to spend \$50,000 or \$60,000 or \$100,000 on one of these [high-rise buildings]—in hard currency; I am talking about hard currency, foreign exchange—we can build those [low-rise buildings] for \$20,000 or \$25,000 or \$30,000. Of course, they take up a little more room, but you can charge more for them. We have to think about all these things. We are thinking very seriously about them.

We have other deals, which are better than the hotels. We are putting our money there. We are not forming partnerships. Where we cannot do anything, and there is no alternative, then the partners can come in. If they do not, what would we do? Just leave it there? But above all, almost all of our money is in scientific research and biotechnology work.

So under the leadership of the party and the socialist state, under the leadership of our working class, we are developing our country, even if there is no alternative but to accept some foreign capital. As long as it is in the investor's interest, and in our interest, either because the investor brings the technology, or the market—because often a market is needed—or the capital, we will make some of these deals. There are already some of these joint enterprise hotels in operation. They are providing great results. They have a 90-percent occupancy rate. The partners have taught us how to run the hotels, because really we did not know how to run a hotel. Sometimes we did not know how to run a cider-making machine. You know how things are.

They have their sciences, their organization, their style, their methods, and their systems. There are now joint enterprise hotels that are involved in the emulation campaigns, our hotels as well as the joint enterprise hotels. There are now new hotels that are operating as well as or better than the joint enterprise hotels. This kind of competition we have created has worked well for us. The efficiency of hotel work can be measured by the amount of repeat business. If you observe that 100 people have come, and of the 100 no one wants to return, things are going very badly. They had soup spilled on

them, the food was bad, the room was not clean, things were stolen from their suitcases, or any of those things that can happen.

That is why the people who work at the hotels must be well chosen. They must be well trained. They should have good wages, naturally. They must be people with a lot of political awareness, because they are the first thing the tourists see. The tourists are going to judge our country by the workers there, by the workers' manners, the quality of service of those workers. Fortunately there are a lot of new people, people who are starting for the first time. There are always some who have experience and who teach them, but there are new people who do not have the old vices. We must make an effort so that those old vices do not reappear. By taking advantage of natural resources we can get as much as we get from sugar, when tourism is fully developed. You know that there are almost 160 sugar mills, that there are almost 150 caballerias [number as heard] of sugarcane, that there are hundreds of thousands of sugar workers. The work is hard. If we can get money through tourism, it would help our country so much.

It is the same with biotechnology, the medical industry, the pharmaceutical industry, and medical equipment. They should give the country a lot of funds, perhaps as much as sugarcane, perhaps more than sugarcane. That is the development we are promoting now, at a rapid pace. We think that Santiago is becoming a great tourist center. As you see, we already have a Tropicana Cabaret. When you take people to the Tropicana, they say this one is as good as the one in Havana. Some say that it is going to be better than the one in Havana. Who has more musical spirit than the people of Santiago? [laughter]

Who has these coasts and mountains? How many things we can do here, in this beautiful countryside, where the ocean and the mountains are combined! What other industries could be developed, here in Baconao, here in this historic city, one of the oldest in America, here with this hospitable population? Many of the things we sell to the tourists, the handicrafts—how many jobs could we create around that? You can see that in addition to being partners and sharing in the profits, the work force is made up of Cuban workers. The water we serve is ours. For many of the products we serve, it is as if we were exporting them to this hotel. So there are many advantages. This is something that is inseparable from the country's development.

If we had great oil reserves, we would not have to be so concerned about tourism. But we are not going to be contaminated. The tourism that comes to our country is healthy tourism. It is not gambling, drugs, or prostitution. We are already getting hundreds of thousands of tourists a year, and they have not corrupted us. On the contrary; our country can exert a positive influence on the tourists. Our country can gain a lot of prestige, and the prestige a country gains in one field helps in other fields. It creates confidence in the country. It helps in many other types of economic development [words

indistinct]. This has to do with the quality of service provided by the excellent young people working at this hotel. This hotel no longer has an extremely inflated payroll. Before, this hotel would have had about 700 workers. Now I think it has about 309. If they continue to study hard, and with the ability to do several jobs, and all that, [words indistinct] If not, there would not be enough people in this country to look after the hotels, if we had to double or triple staffing.

The service of the tourism workers must be excellent, and the management work must be excellent. There must be discipline. There is special discipline for the hotels. There must be rigorous standards. There must be talent. There must be education. No one learns on his own. We must educate each of the young workers in how things should be done. We must be demanding. We must teach them discipline. There is nothing as beautiful as discipline. There is nothing people like better than discipline. Our workers like discipline. Our workers do not like disorder. Our workers reject disorder. You know that it is with discipline that we do great things. You can see what we are achieving with the discipline of the contingents. It used to cost 2 or 2.5 pesos to produce something worth 1 peso. Now it costs 80, 70, or 60 centavos. You can see what is being saved in fuel, what is being saved in chemicals, what is being achieved in quality, with this conscious worker discipline, this discipline that the workers themselves impose.

That is how we have to work. We do not get anywhere with paternalistic discipline. We create chaos; we create disorder; we corrupt people. There is no country that can develop itself without discipline. Capitalism has its discipline, which is the discipline of hunger, the discipline of unemployment, the disciplines imposed by the shortage of everything: medical services, educational services. People die because a doctor will not care for them, or they have to spend millions to pay a private doctor.

We have all these things in our society, and they do not cost us one cent. In socialism, discipline has to be conscious. In socialism, the workers themselves have to apply discipline, and I think that rectification is yielding very good results.

We must congratulate those who built the hotel. [applause] They have built the prettiest hotel in Cuba. They have built the first five-star hotel in our country. We must congratulate the construction workers and the architects for the wonderful ideas they came up with for the construction of this hotel, for the quality of this hotel. Now we must maintain it. Now we must conserve it, so that everyone who comes here will take away an unforgettable memory, so that they will return, if not to here, then to Varadero or other places. I have already said that efficiency in hotel service is measured by return visits.

This is a healthy country. This is a country where the population has a high level of education. This is country with a health system that few countries in the world

have. This country has many attractive things. This country has a history. This country has universal prestige. Many people want to see our country, and the number is increasing. Next year, we will receive from \$500 million to \$600 million from one source or another. You can see how much that has grown, and in such a short time. But we must continue to build without respite. There is a group of people from Santiago who worked on this hotel, who are now helping to complete hotels in Havana or Varadero.

Now we have to build a lot here—hotels, the biotechnology industry, and other things—because now all the efforts, 100 percent, are concentrated on economics, things that will bring us funds, things that will help us overcome the special period, things that will contribute to enriching our country. You know we are experiencing difficult times, for all the reasons you know about. Things may get even more difficult, but we must have our spirits prepared to overcome the problems. You must be like Maceo's soldiers.

You must be like Agramonte's soldiers. You must be like the soldiers who fought in Cuba's wars for independence. You must be like the soldiers who brought about the definitive liberation of our country in the mountains. You must be like our glorious and heroic internationalist combatants, ready to continue to do things in the midst of whatever difficulties there may be. We will always seek the best for you. We will always seek the best possible food, within our capabilities, for the vanguard workers, as you are. We will try to have the best care for the workers. But you are the generation of construction workers who must fill this country with hotels like this one. You must fill this country with factories. You must fill this country with buildings. You must develop the country.

That is why, while I congratulate you for what you have done and the excellent quality of what you have done, I urge you, your chiefs, and the architects, to continue to work with the same spirit. I express to you my pride in knowing that we have today, in Santiago de Cuba, the best construction workers in the country. [applause]

I thank you, in the name of the people, for the work you have done.

Socialism or death, fatherland or death, we will win! [applause]

Commentary on Drug Problems, U.S. Intervention

PA1710132291 Havana Radio Havana Cuba
in Spanish 0100 GMT 16 Oct 91

["Our America" commentary read by Julio Dominguez]

[Text] The fourth annual meeting of antinarcotics organizations of Latin America and the Caribbean has appealed for technical and economic support from rich countries to eliminate coca plantations by facilitating

development. That appeal may run aground on the shoals of the rich countries' indifference.

The meeting of the international organization, a branch of the United Nations, took place in Bolivia over the past weekend. The participants called for a struggle against narcotics consumption, which creates the demand for narcotics and is viewed by many experts as the origin of the drug trafficking problem.

The industrialized countries of North America and Europe, who lead in narcotics consumption, are reluctant to give economic support to countries that produce the raw material for the manufacture of powerful drugs. Several Latin American countries where coca used in the manufacture of cocaine is produced, have insistently demanded support for plans to allow coca producers to substitute their coca-derived income for income from other crops. Millions of poor peasants in Bolivia, Peru, and Colombia have been cultivating coca for years. It represents, for many of them, their only source of income. Bolivians, Peruvians, and Colombian farmers are opposed, of course, to the forced elimination of the plantations, something the United States has been advising the area governments to do.

U.S. President George Bush is inclined to resolve the drug trafficking problem by intervening in the Andean countries. He has given the green light to controversial militarization plans by the DEA and the Pentagon. The U.S. military plans have gained credibility following the invasion of Panama and the war on Iraq because the Pentagon has spoken in favor of direct U.S. military intervention against drug-trafficking.

Bolivia, for example, has dispatched Army units to remote regions in the eastern part of its territory in the search for drug laboratories and the opposition has charged that the idea is to eradicate coca plantations. The United States trained those forces, as well as Peruvian forces, to implement, according to some interpretations, its plans for the area. Such measures are not in line with the needs of the region, where economic difficulties prevail and the governments find it impossible to satisfy the needs of a large sector of the population.

Apparently, few people have realistically analyzed the danger involved in the implementation of drastic formulas to suppress the cultivation of coca. There could be unpredictably large conflicts, such as social upheavals and demonstrations by the impoverished people of the region.

Regional Customs Office in Puerto Rico Opposed

FL1710232591 Havana Radio Reloj Network
in Spanish 2046 GMT 17 Oct 91

[Text] Cuba's representative at the National Customs Directors' meeting in Vina del Mar has objected to the creation of a regional customs office in Puerto Rico. Cuban Customs Inspector Carlos Chain Soler pointed

out that Puerto Rico continues to be a territory under United States control, and described the proposal as inappropriate as the U.S. Government maintains a continued policy of exclusion against Cuba that would hinder the normal administration of such an organization. Chain Soler pointed out the contradiction of electing a territory like Puerto Rico as headquarters for the office of data collection for Central America and the Caribbean, because the island lacks sovereignty and is subjected to a colonial status by the yankee administration.

The meeting for national customs directors of Latin America, Spain, and Portugal will end on 18 October.

Former KGB Director Predicts End to Castro

PA1710150791 Mexico City NOTIMEX in Spanish
1050 GMT 17 Oct 91

[Text] Mexico City, 17 Oct (NOTIMEX)—Stanislav Levchenko, former director of the recently dissolved State Security Committee of the Soviet Union [KGB], has predicted in Mexico City that Cuban President Fidel Castro "will remain in power only one more year."

Levchenko, participating in the first session of the second International University and Businessmen Congress [Congreso Internacional Universitario Empresarial—CIUE] being held in a Mexico City hotel, said that "international socialism is dead." He added flatly that this social doctrine "will never reemerge. Not even a dictator like Castro will save it."

He said that his country will become a "true democracy" with a capitalist system in 25 or 30 years, but not in two or three years, because "it must start from scratch." The idea of free enterprise has been forgotten in the Soviet Union, he said, and peasants "hate to till the land because they have become used to working for no pay. In addition, a large number of Russians and citizens of other republics resist change."

He said also that for the Soviet Union to become a modern society, it must have an efficient infrastructure. "For that purpose, however, hundreds of billions of dollars are required. Who will supply it?"

The second CIUE, scheduled to conclude on 18 October, was organized by the youth organization Generation of Mexican Businessmen, which includes 1,200 students from various educational centers around the country.

Opposition Reports Three Dissidents Sentenced

PA1710232291 Mexico City NOTIMEX in Spanish
1743 GMT 17 Oct 91

[Text] Havana, 17 Oct (NOTIMEX)—An opposition source reported on 17 October that three Cuban dissidents were sentenced to two- and three-year prison terms on charges of illegal association, clandestine printing, and incitement to crime.

Elizardo Sanchez, president of the Cuban Commission on Human Rights and National Reconciliation, reported that Reynaldo Betancourt, Jorge Julian Reyes, and Anibal Cruz were "sentenced in a brief proceeding" at the Marianao Municipal Court.

The three opposition members are also members of the Association for the Defense of Political Rights (ADEPO), one of the eight organizations that form the recently created opposition organization Cuban Democratic Coalition (CDC).

Elizardo Sanchez expressed his surprise at "such harsh sentences, practically without precedent in the last five years." He said the island's opposition organizations fear that the regime's actions will affect other dissidents who live in Cuba.

The three accused men were arrested on 10 October, three days after they held a news conference with foreign reporters.

AFP: Four Released

PA1710202191 Paris AFP in Spanish 1906 GMT
17 Oct 91

[Text] Havana, 17 Oct (AFP)—According to a communique issued today by the Human Rights and National Reconciliation Commission (CDHRN), four Cuban dissidents who were arrested last week were released on 16 October.

The four released—Omar Lopez Montenegro, Manuel Jesus Leyva, Juan Jualberto Fernandez, and Eduardo Cuartas—are all members of the Free Art Association (APAL).

On 16 October the Mariano Municipal Court sentenced dissidents Reynaldo Betancourt and Jorge Julian Reyes to three years in prison, while Anibal Cruz was sentenced to two years and three months.

The convicted activists are members of the Political Rights Defense Association (ADEPO). They were arrested last week before the opening of the Fourth Cuban Communist Party (PCC) Congress.

British Envoy Foresees No Obstacles to Trade

PA1810034791 Havana Radio Havana Cuba
in Spanish 1400 GMT 17 Oct 91

[Text] British Ambassador to Cuba Leicester Coltman said his government has always been independent in conducting its commercial policy, so there are no obstacles for trade with that Caribbean island.

Coltman stressed that the UK was one of the countries that filed a protest with the U.S. State Department against the approval of the Mack Amendment because it gives the United States an undeserved extraterritorial power.

Barbados

CDB Head: U.S. Blockade of Cuba 'Blessing'

FL1610154591 Bridgetown CANA in English
1314 GMT 16 Oct 91

[By Rickey Singh]

[Text] Bridgetown, Barbados, Oct 16, CANA—The president of the Caribbean Development Bank [CDB], Sir Neville Nicholls, feels that "in many ways the blockading of Cuba by the United States of America has been a mistake, clearly a failure." Nicholls, just back from a one-week official visit to Cuba, told the CARIBBEAN NEWS AGENCY: "The American economic blockade has forced the Cubans to become creative and self-reliant in a manner not known elsewhere in this region. It has proven a blessing in disguise, a classic example of necessity inspiring an inventive, creative spirit."

Nicholls thinks that instead of 32 years of blockade against the Communist Caribbean nation, efforts directed at influencing dialogue between Washington and Havana aimed at economic and political liberalisation and freedom of movement may have, "ironically, left Cuba less self-reliant and possibly less nationalistic than it is today."

The president of the Barbados-based multilateral institution, operating with some U.S. 863 million in financial resources, is currently preparing a report on his visit to Cuba for the board of directors of the 25-member development bank who meet here at month end. Sir Neville told CANA that "while I am not recommending Cuba as an economic model for Caricom (the Caribbean Community), there are a number of positive features of the Cuban development process that I feel confident in bringing to the attention of the CDB member countries." He said that "certain advantages" from a centrally-planned economy were "evident" as was the "good use to which the Cubans have put Soviet aid" in changing the economic and social infrastructure of their country.

The visit by the CDB team coincided with an initiative by Cuba to get the 46th session of the United Nations General Assembly to terminate the 32-year-old U.S. economic, commercial, and financial embargo against Cuba.

In April this year a high-level 10-member technical mission from the 13-member Caribbean Community visited Cuba to examine "the possibilities for closer and mutually beneficial Cuba-Caricom relations." Areas identified by the team for follow-up missions, according to a confidential report to the Caricom governments, include trade promotional activities, equals collaboration in biotechnology, tourism promotion with joint marketing as a feature, joint ventures in fisheries, tourism, and the manufacturing sectors, and collaboration in the sugar cane and livestock industries.

"I was most impressed by what the Cubans are doing in tourism and I feel it would be a mistake on our part not to seek to benefit in whatever way may be possible," Nicholls remarked. He said that Jamaica and the Bahamas have already shown "they are in step with the times in becoming involved in joint tourism marketing arrangements with Cuba."

The Fidel Castro government, his delegation learnt, was hoping to build approximately 5,000 new hotel rooms over the next five years. Cuba is attracting more than 300,000 foreign tourists annually, mostly from Canada, Germany, Spain, and Italy. Nicholls said that it was in the interest of Caricom to co-operate with Cuba in tourism and to ensure Cuba's entry into the Caribbean Tourism Organisation (CTO).

"I sincerely hope," said the CDB's president, "that a genuine effort would be made to end the current problem between Grenada and Cuba that has been offered as the obstacle to Cuba's membership of CTO." Grenada and other Caricom states had been opposing Cuba's membership because of Cuba's poor relations with Grenada. Nicholls hopes to discuss the matter with Prime Minister Nicholas Brathwaite during a visit to Grenada, he said.

The transformation of Cuba's sugar cane industry, now totally mechanised, with harvesters and other equipment manufactured by the Cubans, should also be of much interest to Caricom's sugar producing countries.

During the week's visit, the CDB delegation held meetings with the minister-president of the National Bank of Cuba on matters that covered the state of the economy and problems being faced as a direct consequence of the U.S. economic, commercial, and financial blockade. There were also visits to and meetings with representatives of the Ministry of Sugar, Ministry of Foreign Trade, Cuban Institute of Sugarcane Research, the Institute of Sugarcane Derivatives, National Institute of Tourism, as well as a tour of a paper and bristol board enterprise.

Visits to new hotels and beach development projects and to Cuba's genetic engineering and biotechnology centre were also part of the tour that climaxed with a meeting with officials of the Cuban Foreign Ministry.

President Nicholls said that speaking personally, he would hope that there could be a lifting of the embargo against Cuba. Some Latin American and Caribbean countries have already signalled their support for the Cuban call for ending of the embargo, imposed in 1962 by the U.S. in opposition to the Cuban system of government under President Castro.

In successfully moving to have the issue placed on the agenda of the current session of the UN General Assembly, in the face of opposition from the U.S.A.,

Cuba's ambassador to the United Nations, Ricardo Alarcon, last month told the world body:

"The American rulers, rejoicing from the failure of the European socialist experience, have intensified the economic blockade and increased pressure and threats. They forget," said Alarcon, "that Cubans did not import the revolution from elsewhere, that it was, and still is, the result of a century of struggle and of our own efforts and sacrifices." Alarcon told the UN: "The United States expands the measures of blockade to American enterprises overseas, to foreign enterprises based on other countries whose capital is shared by American interests. It also prevents Cuba from buying products manufactured in third countries...."

Sandiford: Progress in IMF, World Bank Talks

*FL1610125291 Bridgetown CANA in English
2101 GMT 15 Oct 91*

[Text] Bridgetown, Barbados, Oct 15, CANA—Barbados Prime Minister Erskine Sandiford, seeking aid to bolster the troubled economy, has reported progress in talks with the International Monetary Fund and the World Bank. The Barbados leader and finance minister arrived in Zimbabwe Tuesday for the Commonwealth summit after discussions last Saturday and Sunday in Bangkok on a proposed Barbados standby arrangement with the IMF.

"The discussions progressed satisfactorily and agreement was reached with the International Monetary Fund (IMF) staff on the letter of intent, thus taking the matter another step further," the Government Information Service reported.

"During the three days in Bangkok the prime minister also held talks with the vice president of the Latin American and Caribbean Office, the World Bank, and other officials on proposals for restoring growth to the Barbados economy.

"In this connection the prime minister invited a World Bank mission to visit Barbados and it was agreed that this would take place early in December this year."

The information service said Sandiford expressed "satisfaction with the talks with both the IMF and the World Bank which he said should result in measures being put in place both to stabilize the economy in the short term and to restore growth in the productive sectors in the medium term."

Opposition Urges End to U.S. Embargo on Cuba

*FL1610182191 Bridgetown CANA in English
1737 GMT 16 Oct 91*

[Text] Roseau, Dominica, Oct 16, CANA—The Dominica Labour Party (DLP), the minority parliamentary opposition here, has called for the lifting of the

30-year U.S. economic and trade embargo against Cuba. In a recently passed resolution, the party said the "illegal" embargo had seriously impeded the ability of the Cuban people to prosper economically, and was the cause of unnecessary suffering because it deprived the Cuban people of the basics required for their survival.

DLP leader Michael Douglas said it had become necessary to urge the Dominica Government to join other Caribbean states in pressing the United States to lift the sanctions against Cuba. In this regard, Douglas called on the Eugenia Charles government to support a motion currently before the United Nations seeking an end of the embargo.

Douglas said he was encouraged that Dominica and Cuba seemed to be developing some trading links, citing Cuban purchases of soap manufactured by Dominica Coconut Products.

Haiti

Aristide Says New Government Can Be Negotiated

PA1810034291 Mexico City NOTIMEX in Spanish
0044 GMT 18 Oct 91

[Text] Caracas, 17 Oct (NOTIMEX)—Overthrown Haitian President Jean-Bertrand Aristide reiterated in Caracas on 17 October that the establishment of a new Haitian Government can be negotiated, but under the country's constitutional provisions.

Aristide, who has been in Caracas since 1 October, attended a special session of the Caracas municipal council on 17 October, while the uncertainty regarding his possible return to Haiti increases.

"Once the Haitian officers leave power, there will be negotiations," Aristide said at the end of the first public event he has attended since he was overthrown on 30 September. He added that his government and the international community have condemned the coup d'etat led by General Raoul Cedras as well as the appointment of the provisional government of Joseph Nerette.

*** PRI Restructuring Plans for States Noted**

*** Political Awareness Cited**

92CA0006A Mexico City LA JORNADA in Spanish
24 Sep 91 p 6

[Article by Juan Manuel Venegas]

[Text] The Institutional Revolutionary Party (PRI), "as soon as the San Luis Potosi matter is over," will restructure its cadres in the states where "problems arose" in the 18 August elections, "and particularly where the 'specter of fraud' reared its head among the citizenry." It will start with the premise that "from now on all parties will face serious credibility problems with a society that is increasingly politicized."

Express statements by the national leadership, contained in documents sent to the local leaders of Guanajuato, Nuevo Leon, San Luis Potosi, Veracruz, Campeche, Tabasco, and Tlaxcala (where this very year there will be municipal elections), also emphasize that "even among party members there is a need to revitalize the party," especially in San Luis, Guanajuato, and Tabasco.

In Guanajuato and San Luis Potosi, for example, the PRI's recommendations note that "if the cadres are not restructured" before the municipal elections, "there could be problems of weakness vis-a-vis the opposition, led primarily by the National Action Party (PAN)." According to the PRI, the PAN does not have a greater presence than it did in previous elections, "but it has been adept at exploiting the current political situation in each state."

Moreover, the documents (which were made available to PRI officials in the aforementioned states) stress that the elections reveal a citizenry "that is increasingly inclined to scrutinize the parties and what they have to offer, and a society that is increasingly politicized. As a result, the party must strengthen itself as well, above all by working in each of the states, respecting the interests that exist there, not just among the leadership, but primarily among the rank and file."

All parties will face, according to the PRI, "serious credibility problems, but the responsibility will be greater for this institution, given its accomplishments on 18 August and the fact that some sectors are demanding greater clarity and openness in each of our victories."

In this regard, the PRI National Executive Committee (CEN) "suggests" in particular that an effort be made to be conciliatory and to restructure the cadres, "so as to guarantee victories that are clear and unquestionable in the eyes of public opinion."

Last week the so-called Critical Current (CC) of the PRI sent to the National Executive Committee a letter stating that "the party alone is to blame for the credibility problems among its own membership, which became evident during the August elections."

The CC believes that "in every case where there were problems, especially in Guanajuato, the president had to intervene personally to rectify incidents of fraud, no matter how much the president of our party, Luis Donaldo Colosio, tries to justify it as a party action."

"Once again it was confirmed that where the government is in charge there is no party, and that is already irritating to the party members. As a result, we should rethink our campaign efforts," emphasizes the letter.

In the case of San Luis Potosi, before the elections were held "it was obvious that the people of that state are very fond of Dr. Salvador Nava Martinez, who is the product of previous corrupt governments and political machines that have impoverished society both politically and economically."

In the view of the Critical Current, "an immediate solution must be found" in San Luis Potosi, "or else the Salinas administration will take a step backward in the country's democratic life (if there is such a thing). Violence cannot be provoked for the sake of staying in power in that state at all costs."

*** Coordinator on Guanajuato**

92CA0006B Mexico City LA JORNADA in Spanish
24 Sep 91 p 7

[Text] Guanajuato, 23 September—Three weeks after arriving in this state, the new coordinator of PRI's [Institutional Revolutionary Party] National Executive Committee, Humberto Mayans Canabal, admitted at a press conference "the pain that PRI members felt in the state as a result of the decisions that were made just a few days after the 18 August elections." Consequently, he maintained, "we must begin working, first, to unify the groups who felt attacked or excluded."

In his first public appearance, he stated that the national leadership's intention "is not to come and hand down the party line or impose criteria, but to respect the will of all PRI members in Guanajuato whose work and interests were affected by what has happened in recent weeks."

He stressed that "the link and the communication between the Guanajuato PRI and the National Executive Committee will not be broken for any reason. The PRI will reorganize; it will come back with the same iron will to win again, to prove to Mexico and to the world that we won in this state, and we will win again in clean and open elections."

He noted, however, that in Guanajuato, given the opposition represented by the PAN [National Action Party], "we will be at a disadvantage if we do not begin to work together once again, as a party that is rejuvenating itself and that is undergoing a process of complete modernization."

During his presentation to the local media, he issued an appeal to all political parties "to work together to return the state to the climate of harmony, respect, and tolerance that has always characterized it."

Regarding the municipal elections that are to be held this coming December, Mayans Canabal indicated that the intention of PRI national leader Luis Donaldo Colosio "is not to distort the will of the Guanajuato PRI organization. We have not come to impose criteria, but to work together with the state leadership in the restructuring of the party."

Commenting on the election of candidates and the changes that will presumably take place in the municipal leaderships, he said, "In each municipal jurisdiction the people will decide whether to make changes or not, and they will also elect their candidates in a completely responsible manner, in accordance with the party bylaws and adhering to the deadlines set forth in those bylaws."

Mayans Canabal indicated that for the selection of candidates, the "only requirement that the PRI members of Guanajuato must bear in mind is that they must be convinced as a whole, and they must respect the bylaws and the decisions made by the party itself."

If the party is disciplined, he declared, "we will be able to face PAN from a position of strength, and we will defeat it."

Regarding the appointment of PAN member Carlos Medina Plascencia as interim governor of Guanajuato, the only thing the PRI coordinator had to say was, "There has always existed the possibility in Mexico that any political party could come to power, and in this case, the legislative branch, which plays a fundamental role in the country, decided to appoint a PAN governor. We as a party must respect that decision."

* New Coordinators Named

92CA0006C Mexico City LA JORNADA in Spanish
25 Sep 91 p 6

[Article by Jose Urena]

[Excerpt] Luis Donaldo Colosio, president of the PRI [Institutional Revolutionary Party], began yesterday to reorganize his corps of coordinators in the states where appointments have been made in Baja California and Veracruz.

Orlando Arvizu Lara of Hidalgo will go to Baja California. An elected alternate senator, in 1990 and thus far in 1991 he has been given the task of restructuring the PRI in Guerrero and restoring various positions.

He will be replacing Roberto Figueroa Martinez, under whose leadership the PRI lost a senate seat for the first time in its history in that state governed by an opposition party, PAN [National Action Party].

Heriberto Galindo Quinones Ruiz of Sinaloa will go to Veracruz to replace Victor Hugo Celaya Celaya of Sonora. The change comes at a time when there are problems with the nomination of candidates in Veracruz, where municipal elections are slated for November.

The information provided by the CEN [PRI National Executive Committee] indicates that Colosio confirmed the Guanajuato coordinator, Humberto Mayans, who is already hard at work on the election of mayoral candidates.

He replaces a man from Chiapas who had a reputation as an alchemist and as the organizer of the elections that culminated in the crisis that state now faces, given Ramon Aguirre's refusal to take office. The man in question is Rafael Gamboa Cano. [passage omitted]

Costa Rica

Calderon Returns From U.S., Announces Agreements

PA1710194191 Panama City ACAN in Spanish
2253 GMT 14 Oct 91

[Text] San Jose, 14 Oct (ACAN-EFE)—Costa Rican President Rafael Angel Calderon said today that his country will be able to reduce its debt with the United States by at least \$230 million and in the future sign a free trade agreement with that country.

Upon arriving in San Jose, following an eight-day visit to the United States, Calderon said that he was "profoundly satisfied" with the gestures of affection and support he received from U.S. President George Bush, whom he met on 10 October.

Calderon credited Bush's personal support for making it possible to set a timetable for negotiations between the authorities of the two countries to establish a free trade agreement.

U.S. Government officials will meet on 21 October with Costa Rican Foreign Trade Minister Roberto Rojas, he noted.

In November, the two governments will begin negotiations on an investment treaty and another treaty to protect intellectual property, a condition that the United States is setting to establish free trade agreements with other countries.

With the signing of the trade agreements, the U.S. Administration would forgive approximately \$230 million out of the \$500 million that Costa Rica owes the United States.

This step, Calderon explained, would also serve to resolve the problem of Costa Rica's foreign debt, since the country has reached important agreements to readjust its debts with international financial organizations and the countries of the Paris Club.

Calderon added that the U.S. Government is also prepared to increase its aid to Costa Rica to fight drug trafficking. The promised aid includes a donation of two airplanes, 19 four-wheel drive vehicles, and communications equipment, as well as the installation of "extremely powerful radar" in Costa Rica that would enable authorities to detect clandestine flights, the president stressed.

Denies Bush Inquiry on Envoy

PA1710124891 Mexico City NOTIMEX in Spanish
2139 GMT 16 Oct 91

[Text] San Jose, 16 Oct (NOTIMEX)—Costa Rican President Rafael Angel Calderon said today that the activities of Carlos Aguilar, ambassador of that country to Nicaragua, have been questioned by the U.S. Government.

According to the president, the dissatisfaction of the U.S. State Department with the Costa Rican diplomat

was due to "his close relationship with Nicaraguan Defense Minister [as received] General Humberto Ortega."

The president stated that the United States voiced its "dissatisfaction" with the ambassador two or three months ago.

During the recent visit to Washington by the Costa Rican president, "diplomatic sources" informed the correspondents of the newspaper LA REPUBLICA, television's Channel Four, and Radio Monumental, that President George Bush had requested that Calderon remove Aguilar from his diplomatic post in Nicaragua.

According to initial reports, Bush requested the removal of the ambassador from his post based on a request made to him by Nicaraguan President Violeta de Chamorro.

Calderon said that this topic was not discussed in his meeting with Bush, and he denied that the request was made by President Chamorro.

Calderon added: "If President Chamorro makes a request (to remove Ambassador Aguilar), we will immediately comply, but this is not the case. Additionally, it is unusual to seek the mediation of a third party to request the withdrawal of a diplomat. There are direct channels to accomplish this end."

President Chamorro has told NOTIMEX in Managua that "I have neither spoken to President Bush, nor has Bush spoken to me, so I do not know where this story originated."

Chamorro added: "I do not get involved in trying to have ambassadors withdrawn, because that is the responsibility of the head of state of each country."

Meanwhile, Costa Rican Foreign Minister Bernd Niehaus has told the newspaper LA REPUBLICA that "in the next few months, changes will take place at the Costa Rican embassies in Central America."

El Salvador

Agreement To Eliminate Intelligence Directorate

PA1810042591 San Salvador Radio Cadena YSU
in Spanish 1800 GMT 17 Oct 91

[Report by SALPRESS correspondent Ricardo Gomez from Mexico City, Mexico]

[Text] The delegations of the Alfredo Cristiani government and the Farabundo Marti National Liberation Front [FMLN] last night agreed to eliminate the National Intelligence Directorate, DNI, which is linked to the Salvadoran Army. Sources stated this morning that in the direct meeting, which ended late last night, both sides agreed to eliminate the DNI.

This point, however, was not totally settled due to differences that emerged on the qualifications of the new

organization that will handle intelligence and state security affairs. The new organization will be based on democratic principles for the good of all, and its investigations will be aimed at matters of general interest. In addition, the organization would not be subordinate to the Armed Forces or security corps.

According to a source, the FMLN is proposing that the director should be a civilian appointed by the president in consultation with the National Commission for the Consolidation of Peace. No consensus was reached on this point. Today the two sides will hold direct talks to begin to discuss subtopic number 10 of the agenda agreed upon in New York regarding paramilitary entities. According to the abridged agenda, this point covers civil defense, the Armed Forces' reserves, the eradication of illegal groups, and supervision and control of public security corps.

Interview With FMLN Commander Melendez

PA1710205391 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 14 Oct 91

[Part I of interview with Comrade Colonel Jorge Melendez, alias Commander Jonas, of the Farabundo Marti National Liberation Front, FMLN, by unidentified correspondent; place and date not given—recorded]

[Text] [Correspondent] What proposals will the Farabundo Marti National Liberation Front [FMLN] take to the meeting that has already begun in Mexico City?

[Melendez] As far as I know, the FMLN's main effort since we reached those agreements in New York has been to promote a formal truce. The New York agreements acknowledge the existence of two military forces and that neither of them will attempt to claim the military advantage they have failed to achieve over the past 10 years.

The FMLN delegation is willing to support a cease-fire and to end the war and bloodshed. In other words, it is determined to achieve fundamental agreements. This is the FMLN's decision, and to this end we have been working and conducting serious talks within the framework agreed upon in New York.

[Correspondent] Cristiani is calling for a so-called deescalation of the war, as opposed to the truce proposed by the FMLN. What is your position regarding this issue?

[Melendez] There is a difference, a profound difference. If Cristiani and the Armed Forces were willing to take steps to end the bloodshed among the Salvadoran people, an agreement would be very feasible. To date, I have heard the government make truly absurd proposals aimed at giving the Armed Forces a military advantage to continue the war. A deescalation implies withdrawing the FMLN's tactical capabilities, leaving it at a military disadvantage while giving the Armed Forces the ability to wage war. This is not an effort to deescalate the war, but to achieve a military advantage, which contradicts the spirit of the agreements.

All the same, there is strong pressure from all sectors of El Salvador. The Copaz [National Commission for Consolidation of Peace], the mechanism under which we will meet to establish peace, has already been established. Thus, all of the national sectors will participate more actively. The popular movement is on the alert and the international community—through the United Nations—will act simultaneously as observers and mediators. I believe that progress will be possible through the negotiations, even against the will of the government and the Army, as has been the case thus far. This means that some ultra-right-wing sectors will join with sectors of the Armed Forces that truly understand the need for a political solution.

Of course, within ARENA [Nationalist Republican Alliance] there are sectors which, despite being right-wing in nature, understand that negotiated solutions are necessary. So far we have made progress, and there is no doubt in my mind that we will also make progress in Mexico. How much? I cannot say, but progress will be made.

[Correspondent] How do you respond to the Armed Forces' claim that the truce proposal is an effort to conceal weakness on our part?

[Melendez] The Armed Forces have a brutal way of thinking. They think in terms of force. They have a reactionary and militaristic mentality, which is precisely the great [word indistinct] that will come from this entire process, which will end decades of oppression, lack of democracy, use of force, and, especially, impunity for the state armed apparatus.

I believe that all of the Armed Forces' beliefs are linked to this concept. I believe that this alleged... [pauses] or that way of analyzing things has generated a need for the FMLN to show in practice how mistaken the Army is. This is why the war has lasted 10 years; this is why democratization and the FMLN's military forces have gradually earned the people's support.

I would also ask the Salvadoran people and all sectors to clearly understand that the FMLN has been forced to take action. I reiterate that the National Army for Democracy fighters have patiently and firmly followed instructions given to them by the General Command. We have observed the truces, we have maintained a moderate attitude, and lately we have shown signs of what we are capable of doing in the military field. We have not demonstrated all our capabilities. This is obviously because our Army does not believe that it must strictly adhere to military actions, and because we are convinced that as long as the agreements are not guaranteed, we will be forced to defend the development and implementation of democratization and the purge of the Army. We and all of the other sectors must guarantee the proper implementation of the agreements reached at the negotiating table.

[Correspondent] Comrade Melendez, the Armed Forces say that the operations that are being conducted on our territory are within the framework of defense against an

alleged constitutional [word indistinct] or constitutional duty and are an attempt to discredit our actions. What do you think of this?

[Melendez] I would say what a Catholic prelate once said. He said that the Sabbath made for man; man was not made for the Sabbath. The Constitution of the Republic is a set of guidelines established by Salvadoran society to establish order, to define principles of behavior and action, and to establish a political system. All of this is man's work. The military is a tool, an example of power. [Words indistinct] it has participated just as the ARENA party and the other parties in the preparation of this Constitution.

The FMLN has participated in changes made to the Constitution. If the country and society require new changes, they will be made by human beings. To turn the Constitution into a means of justifying the war is truly foolish and perverse. I believe this is the case with the Army. It knows that it is perpetrating a criminal act against the lives of the Salvadoran people because from now on there can be no doubt that if there is a chance for a truce, if there is a chance of ending the war, all of the dead and wounded among the civilian population will be the sole responsibility of the warmongering sectors. They are the ultra-right-wing sectors of ARENA and the fascist and ultra-right-wing sectors of the Armed Forces.

The Constitution does not endorse the Armed Forces' argument. I believe the Constitution says many things that are very true, very philosophical, such as the parts pertaining to social justice. It does not state that the Salvadoran Armed Forces have the right to wage war against their own people at a time when the people are seeking a reconciliation.

Panama

Government Calls Guerrilla Presence 'Mere Gossip'

PA1810002191 Panama City EL SIGLO in Spanish
17 Oct 91 p 12

[Article by Andres Davila]

[Text] Government and Justice Minister Juan Chevalier has said that all the talk about alleged guerrillas in Panama, possibly including former Panama Defense Forces [FDP] members Gonzalo "Chalo" Gonzalez and Heraclides Sucre—who are fugitives from justice and whose whereabouts are unknown—is mere gossip.

Chevalier said he has no knowledge of the case regarding the two former exiles, arguing that it is the Panama Foreign Ministry's concern and, because this is a very sensitive issue, one cannot go around speculating on the matter.

Meanwhile, on several occasions Assistant District Attorney Carlos Herrera Moran has claimed there is evidence that subversive elements do exist in Darien Province, but that high ranking government authorities have kept a lid on this information so as not to create a climate of uncertainty in

the community. This is in complete contrast with certain movements that have been "uncovered," which were organized by former FDP members to create chaos within the government. This is the case with the last incident in which a member of Attorney General Rogelio Cruz' personal security guard, together with other former FDP members, were preparing to stage a new "coup."

Moreover, while the government denied the existence of seditious elements, a former "Dignity Battalion" member from the Noriega era was making sworn statements at the Assistant District Attorney's Office regarding the existence of guerrilla groups and the association of former FDP members with Colombia's FARC [Revolutionary Armed Forces of Colombia]. The former soldier confirmed the presence of Noriega's lieutenants, "Chalo" Gonzalez, head of the elite corps "Macho de Monte" who was granted exile in Peru, and Eliecer Arancibia Gaytan, head of the ousted dictator's bodyguards, who has been a fugitive from justice since his escape from the Vatican Embassy where he had taken refuge during the U.S. invasion.

The above statements, given by Edison Asprilla, appear to be quite significant as they were issued before the Panamanian Foreign Ministry and the national government had any information regarding the disappearance from Peru of Chalo Gonzalez' and Heraclides Sucre. These former FDP members are wanted by Panamanian police for complicity and participation in the bloody incidents against 11 comrades-in-arms who staged the renowned 3 October 1989 coup.

While Minister Chevalier labeled this information "mere gossip," the Southern Command and the Public Forces are engaged in an intense operation in the central provinces, in particular in Darien Province, to thwart any guerrilla outbreak and eliminate any possible subversive elements.

To carry out this operation, the Southern Command is supplying the Public Forces with logistical support and heavy caliber weapons. The joint operation is nearly over, after which another will be launched in the Atlantic sector.

A source indicated that these countersubversive actions were taking place as Attorney General Office investigators—alerted by U.S. intelligence services—disclosed the existence of a plan implemented by former FDP members to destabilize President Guillermo Endara's government.

Public Force To Create Antiterrorist Unit

PA1410010591 Panama City EL PANAMA AMERICA
in Spanish 12 Oct 91 p1A

[Report by Juan Pritsiolas]

[Text] The Public Force is currently organizing an anti-terrorist unit that will comprise 97 men. It will begin operating in December, according to a document to which EL PANAMA AMERICA had access.

The unit, called the "Critical Incident Reaction Team", will be tasked with countering and foiling any kidnapping or terrorist action in Panama City that jeopardizes the safety of the people. The team will fall under the Public Force General Directorate but will have its own administrative directorate. It will consist of three divisions that will react to critical incidents, a sharpshooters division, and a negotiating division.

The tasks planned for the Critical Incident Reaction Team include foiling terrorist actions in buildings, buses, airplanes, ships, and railroads. The antiterrorist unit will be equipped with submachineguns and 9-mm guns with night vision scopes, and rifles with night vision scopes and silencers. A budget of approximately 360,000 balboas may be needed to purchase 186 firearms, including 81 9-mm guns, 81 submachineguns, and 14 rifles.

The defunct Panama Defense Forces had a special antiterrorist unit that was headed by Captain Ramon Diaz. While Colonel Eduardo Herrera (retired) served as National Police chief, a similar specialized group was created but was dismantled later because most of its members were linked to the alleged coup attempt last December.

The decision to create this new unit emerged after several bombs were placed in different parts of the country and rumors circulated regarding the possibility of terrorist attacks in the near future.

PDC Leader Urges New Police Chief Appointment

*PA1610011691 Panama City LA PRENSA in Spanish
15 Oct 91 p 1a*

[Article by Elkilia Santos and Irene Hernandez G.]

[Text] Ricardo Arias Calderon, president of the Christian Democratic Party [PDC], warned that President Guillermo Endara is making a "mistake" by refusing to appoint a new national police director and could facilitate "remilitarization" of the Public Force.

The statements by the vice president of Panama were made during a press conference held at PDC Headquarters, where he once again stated that incumbent Police Chief Gonzalo Menendez Franco had openly violated Article 305 of the Constitution.

Mr. Arias Calderon added that Menendez Franco had also violated Cabinet Decree No. 38, which in its Article 15 states that "no Public Force member will participate in any type of political activity, or form part of any political party whatsoever."

Mr. Calderon posed the following question. Endara is empowered to appoint or dismiss any member of the Public Force. If he does not use this power when one of its members infringes on the Magna Carta and the law, then what moral authority does he have to demand all Panamanians to live according to the law?

According to Mr. Arias Calderon, what is really at risk are the plans to demilitarize the public security system,

and Endara's mistake could turn these plans into the "remilitarization" of the Public Force.

The problem concerning the police chief is due to his participation as a delegate during the Arnulfist Party Convention that took place on 29 September in Penonome.

This event caused the opposition parties in the National Assembly, (PDC and PRD [Revolutionary Democratic Party]), to agree to present a censure motion against Government and Justice Minister Juan Chevalier, for not dismissing Mr. Menendez Franco.

Assembly legislators are preparing to debate the resolution today, and based on the opinion of some legislators, it is expected that this will be a very "heated" debate.

Mr. Arias Calderon described as "frivolous" the statements made by Endara related to the PDC being "green with envy" because of the excellent work done by Minister Chevalier in reforming the Public Force, which could not be done when the PDC were part of the government.

Moreover, PDC Legislator Raul Ossa accused Endara of being a "violinist and of sponsoring transgressions against the National Constitution and the law."

According to Mr. Ossa, the decision to keep Menendez Franco at his post is "inconceivable," and does not have the slightest justification because it advocates disobedience of the law.

Authentic Liberal Party Legislator Alberto Cigarrista believes that Police Chief Menendez Franco should resign. He also pointed out that the censure motion will not be approved by the Assembly because it should have been directed against the president of the Republic in his capacity as supreme head of the Public Force, and not at Minister Chevalier.

Mr. Cigarrista stated that "the censure motion will not have my support because it has been inadequately directed at the government and justice minister, and in this case the supreme head of the Public Force is President Guillermo Endara."

According to Legislator Cigarrista, this government cannot do the things that we criticized the former military regime of doing. If this is the case, how can we expect the other members of the Public Force not to repeat the same thing Franco did?

Endara, who returned to Panama on 13 October after participating in the 46th UN General Assembly, repeated that he would keep Menendez Franco at his post.

According to Ernesto Gonzalez de La Lastra, Civic Crusade activist, Menendez Franco should resign. If he did not, the sacrifices of all Panamanians would be lost.

Argentina

OAS Help To Strengthen Democracies Sought

PY1710172891 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1100 GMT 16 Oct 91

[Text] Buenos Aires, 16 Oct (NA)—The objective of the government's international policy is to have the OAS become "a suitable tool for the strengthening, enhancement, and defense of the democratic systems" on the continent.

During a meeting at OAS Headquarters between the heads of the Argentine mission to the OAS and Inter-American Defense Board (IADB) members, officials emphasized yesterday that the government's goal is "to have integration become one of the priority objectives during this period of American history."

In this regard, Ambassador Hernan Patino Mayer, Argentina's permanent OAS representative, stressed that "the government pursues the goal of acknowledging the OAS condition as a political organ, par excellence, of America's nations."

To this end, Patino emphasized the need "to have one of the most democratic organizations on the planet become a suitable tool for the strengthening, enhancement, and defense of American democratic systems."

The Foreign Ministry officially reported here that the meeting was held at OAS headquarters in Washington and that, in addition to the Argentine delegation, OAS Secretary General Joao Baena Soares; Miguel Angel Toma, the Chamber of Deputies Defense Commission chairman; and IADB Chairman Major General Bernard Loeffke also participated in the meeting.

Government Will Not Ask for IMF Dispensation

PY1710184891 Buenos Aires Radio Nacional Network
in Spanish 1600 GMT 17 Oct 91

[Text] Economy Minister Domingo Cavallo denied that the government will ask the IMF for a waiver, that is, dispensation for not having met the IMF targets for the fourth quarter.

The economy minister predicted that the expanded facilities agreement that is being sought will be reached long before March 1992.

Trade Balance Surplus Drops 36.2 Percent

PY1110222491 Buenos Aires BUENOS AIRES
HERALD in English 11 Oct 91 p 3

[Text] (DYN)—A trade balance surplus of 2,685 million dollars was achieved in the first quarter of the year, the INDEC [National Institute of Statistics and Census] statistics office said yesterday. The surplus is 36.2 percent less than the surplus in the same period last year. Total exports amounted to 5,710 million dollars. Industrial exports fell by 15.9 percent, and the shipment of

fuels rose by 73.2 percent. Imports rose by 72.1 percent, reaching a total of 3,031 million dollars. The import of automobiles rose by 876.9 percent and of consumer goods by 292.7 percent.

* Lupa on Prospects for Congressional Support

92SM0009D Buenos Aires LA PRENSA in Spanish
13 Sep 91 p 7

[Commentary by Daniel Lupa]

[Text] The fact that the Chamber of Deputies has not yet passed the labor reform and has tied its passage to the approval of a variety of other bills indicates how hard the brakes have been applied to the Menem program, of which the labor reform is, at this point, a key element, albeit just a mild suggestion of the real needs.

Although the outcome at the ballot box confirmed that the people opposing change did not win and that the population at large supports change, legislative resistance continues to reflect a balance of power in society typical of the years when the two bands of representatives were elected.

How will the new representatives change this 1989 model? The question as to whether Menem actually won these elections is also being asked at this level in a more caustic tone. Even if the president was the driving force behind the victory, does the makeup of the newly elected legislature reflect his program?

The Doubts: Names and Origins

In considering the almost 20 Buenos Aires deputies, we must distinguish one group (four or five) who are from the Menem faction; a second group of six or seven from the Duhalde camp; four or five union men who stand out clearly among the members of the 62 Organizations, the San Martin group (none from Azopardo if the 62 are not included in Azopardo); three or four Cafiero men, and a couple from outside the party.

A similar potpourri can be seen in the remaining districts, with smaller numbers owing to the smaller representation (some provinces have only two Peronist legislators and others have just one). It was precisely this fragmentation that forced Menem to negotiate and delay much of his agenda.

To say that this reflects the fragmentation within Peronism neither rectifies nor adds anything to the observed fact. It does, however, raise the question whether Peronism ran in the election with the proper organization, ignoring the suggestion that it establish a political movement based on this new development and dispense with past organizations (as Menem hinted the day after the election when he said that in a way "Menemism was born" at these elections).

Proportionality Distorted

How the people felt in 1989 was reflected only partially in the makeup of Congress as of 10 December that year.

As of next 10 December will Congress reflect the balance of power arising from the election on 27 October?

In 1989 Peronism elected 127 deputies (exactly half) from its slates; it then saw its representation dwindle first to 118 or 119 as some of its allies migrated, and later to 110 or 111 as the group of "eight left-wing Peronists" broke off.

This time, after an election in which it defeated its main rival, the UCR [Radical Civic Union], by a greater margin than in 1989, it has increased its representation by just eight deputies, more than six of whom are from outside the party and will soon decide whether to stay with or leave the bloc. And we are not considering the elections on 27 October in Catamarca, Santiago, Salta, Santa Fe, Jujuy, Chaco, Tierra del Fuego, La Rioja, Rio Negro, and Corrientes.

Until 1987 Radicalism had 126 deputies, dropping to 90 in 1989; now it has just four fewer, 86, thus retaining more than a third of the 254 deputies, a larger proportion than its vote.

The Distorting Factor

The proportionality established by the D'Hont system is one of the elaborate formulas for striking a weighted balance in the relationship between votes and representation. This holds, though, only if the entire body is elected each time.

The error in projecting representation is accentuated by the distortion introduced by the "Lanusse reform." This reform gave a minimum representation of four deputies to the so-called small provinces, which based on their population ought to have just one or two.

This of course is detrimental to the most elementary voter equality, as the ballot of a resident of Catamarca, La Rioja, or Santiago del Estero counts as much as three or even four votes from residents of the humid Pampas, who are thus turned into domestic "kelpers."

These districts have preserved a system of two equal parties with distorted average representations, except in places such as San Juan or Formosa, where a third party has appeared and sent a new representative to the National Congress. It is in these districts that the institutional source of distorted proportionality must be sought.

This narrowing of the gap, or leveling out, of the largest and second largest minority accentuates their polarizing domination in the new Congress, unless the October election makes significant changes. Peronism and Radicalism, which until now had 202 legislators in all, will henceforth have 206. Although the first number is the

total after Peronism's and Radicalism's allies and non-party members from 1989 departed, it remains to be seen in connection with the second number whether this phenomenon is repeated and to what extent.

We should also note that besides these demagogical distortions of the system, dilatory political manipulation is still at work, such as the aforementioned curbs on a new movement. This is thwarting the will of the people, who at the polls have unquestionably expressed their support for the change that the chief executive is pushing.

* Daniel Lupa Analyzes Postelection Issues

92SM00094 Buenos Aires LA PRENSA in Spanish
12 Sep 91 p 7

[Commentary by Daniel Lupa]

[Text] "There is a well defined risk for Carlos (Menem): losing in the negotiation what he has won at the ballot box."

This warning was voiced by a man who prides himself on having presented the same argument to the president, but he fails to reveal what his reply was.

A similar observation was reportedly made to Menem on the very night of the elections, when an idea of the interior minister's was presumably nixed. Around midnight the minister was preparing to extend an official invitation to the main candidates on the victorious slates in each district and to the authorities of the main parties running in the election ("Three or four, no more, immediately," was the restriction) to meet the following day (in other words, yesterday, Wednesday).

Who and for What Reason?

After this hasty proposal was literally quashed twice on Sunday night, it was reformulated and eventually led to Menem's invitation first to the governors and then to the deputies-elect who headed each list.

The "celestes" [more moderate Menem backers] thus launched their first offensive aimed at taking maximum advantage of the election returns by taking control of what they had anticipated and predicted as the immediate result of the vote: an invitation to formalize a political pact with the opposition (read, the Alfonsín faction).

During the offensive to promote the pact the brakes were applied to the Interior Ministry's hasty bid in several stages.

There had already been pressure for a pact before the election. Efforts were, in fact, stepped up in the last 40 days alone: 1) On 17 August and 2 September Bauza contended that a political accord or pact would be called for after the election; 2) On the same day he was appointed Manzano asserted that Menem had asked him "to talk with all of the parties in order to reach an

agreement; 3) Three days later he said that his mission was "to build an accord" with the parties; 4) Two days later he began carrying it out by holding a purely pro-forma, ceremonial meeting with Angeloz and by stating afterwards that Alfonsin is the head of the party and that Angeloz was just a prominent UCR [Radical Civic Union] figure.

In a way this was a response to the mounting pressure from the Alfonsin faction for "a governability pact" (which Menem rejected several times) and to Alfonsin's tentative assertion that "a convergence (between Radicals and Peronists) is indispensable."

Menem took such pains to water down the significance of a dialogue or negotiation in his speech at the Rural Association that he reduced it to a sort of political-social-economic accord, one that was kicked off with the "production" agreement signed with the UIA [Argentine Industrial Union] on Industry Day...and that had nothing to do with the bid for a pact.

In any event, all of the efforts are recommencing now. And they are being pushed from the Interior Ministry and the "celeste" faction with such speed that they seem to confirm the Alfonsin faction's unstable control of the UCR; we can gather from Jose Luis Manzano's remark after his meeting with Angeloz that this faction is still acknowledged as a valid negotiating partner.

Introspection

But the risk does not seem to be limited to a negotiation. The thinking is that the momentum provided by the election results offsets the heavy political influence that the factions opposing the administration's plan still have.

The most nettlesome immediate problem, which Menem himself will have to size up, is the extent to which the administration's undeniable electoral victory can lead to appointments that will support its program.

In principle, we will have to wait for the incidental reshuffling that takes place in every political machine to tell more accurately whether, for example, the new team of lawmakers accurately reflects the president's dominance or whether the opposing factions inside Peronism underlie it.

One question mark is whether Menem will have to continue negotiating with his own party or whether he has made solid enough gains to secure legislative backing for his initiatives without having to make concessions (and accept delays) as major as the ones he has made over the past two years, during which time the party-leadership model and the legislative teams that predated his victory in the 1988 Peronist primaries have predominated.

Another question mark is whether, in spite of Menem's well-known reluctance to talk publicly about changes in his cabinet, his team can stand up to this sort of analysis

and whether the "celeste" faction can be made to step aside or will be eclipsed by the party's triumph. The fact is that the "celeste" faction has emerged a loser from these electoral victories, as Peronism has been turned predominantly into "Menemism" and the electorate has drifted conspicuously away from any option similar to the Alfonsin faction.

It would be nothing new for it to lose the political ground that it has gained, during the complex external negotiations proposed by internal factions that are also subject to negotiations. This has already happened twice before: once after winning the primaries, when it neglected the party leadership, and then after making headway in its 1989 campaign, when it was unable to appoint teams (governors and legislators) that would consistently champion its government agenda.

* Subject, Timing of Political Talks Reported

92SM0009B Buenos Aires LA PRENSA in Spanish
14 Sep 91 p 5

[Text] The administration has decided on the issues that it will address with opposition parties when the official invitations to meet with interior minister are sent out.

It has decided to wait, however, until the "multiple leaderships" that it sees in the Radical Civic Union (UCR) are clarified.

The feeling is that everything will be ready to begin issuing the invitations in no more than two weeks.

The thinking is that among other specific issues, views will be exchanged on the new social-security system to be established. In this connection, the administration is hoping for a mixed system, that is to say, one in which politicians, management, and labor are involved instead of having private companies in charge of everything.

Relations between the central government and the provinces are a focus of administration attention. Although the feeling is that the country is on the proper path with the petroleum industry deregulation, it is also thought that in the future the provinces that abide by the economic guidelines of stability will receive greater attention than the ones that have problems stemming from a failure to cut spending.

Solutions are expected for disadvantaged groups. The support that Aldo Rico received in these groups has prompted a thorough analysis of its causes, especially in the so-called Buenos Aires belt.

Policies to deal with these problems in the provinces are expected before 31 December.

The financing of universities and ports is also at an advanced stage of analysis, as are the "model" and "timing" of the direct election of the mayor of the federal capital.

As for security issues, there will be a meeting next week with the defense minister to "ascertain jurisdictions, especially in connection with the responsibilities of the Federal Police. Although the Interior Ministry is constitutionally responsible for all security, it is restricted by legislation that authorizes it to control the capital only.

The recent holdups and kidnappings are still regarded as purely criminal acts involving former rebellious military personnel who have taken to crime. Nevertheless, the official statistics indicate that there has been a 48 percent decline in crime from 1988 to the present.

The administration feels right now that in addressing security issues appropriate legislation takes priority over a rearming of police forces.

* Angeloz Criticizes Cavallo's Deregulation Stand

92SM0009C Buenos Aires LA PRENSA in Spanish
14 Sep 91 p 5

[Text] Cordoba (Telam)—The reelected governor of Cordoba, Eduardo Angeloz, yesterday harshly criticized the interior minister's announced intention to demand that this province immediately deregulate transportation, asserting that "Cavallo's authoritarian approach has gone to his head, and he is ignoring the existence of democracy."

In radio statements shortly after presiding over the official inauguration of the national festival of Holando in the town of Pozo del Molle, a visibly upset Angeloz explained that the deregulation of surface cargo transport in Cordoba "is decided by law, which will be regulated soon."

Regarding the statements that Cavallo made in Buenos Aires on Thursday about the deregulation of transportation and the demands on Cordoba in this connection, the governor was of the opinion that "Cavallo's authoritarian approach has gone to his head, and he is ignoring" the democratic context that prevails in the country.

After asserting that "Minister Cavallo is not going to come and tell me how to govern the province," Angeloz urged that "everyone take his proper place." He then recalled that "the will of the people elected me, and the president chose Cavallo. The president can remove him simply by sneezing; no one can remove the governor."

* Alfonsin Seeks Closer Ties to De la Rúa

92SM0013C Buenos Aires LA PRENSA in Spanish
11 Sep 91 p 7

[Report by Daniel Lupa]

[Text] Alfonsin's "congratulations" to De la Rúa and Angeloz for retaining party posts were accompanied by a brief announcement that occupied the most space in the shortest of exchanges: "So, I expect we'll be seeing each other on Thursday in the National Committee."

In this way, Alfonsin took the lead and "evaluated the results" before being asked to do so. Retaining the initiative risks a hard jab, but makes it possible to devise one's own strategy before others do.

Sources close to the committee claim that he had been working on the matter far earlier. When he was asked to be quiet, and not cause greater vote losses, rejecting his attempt to direct the campaign, he engaged in post-electoral planning. The defeat does not seem to have surprised him.

Had it not been for the pressure from Moreau, "I would have preferred (he reportedly admitted Sunday night) to commit myself to Storani's boys in the province. After all, Cabiron (or his team) had the best Alfonsinist election in Bahia Blanca."

Blaming Moreau, something consistent with the resistance that he generates, does not exhaust the matter, because the best Radical election in the province was achieved by the man whom Moreau was attempting to replace, and who defeated Pugliese. Melchor Posse, elected in San Isidro for the sixth time by an overwhelming difference of votes, left the Bahia Blanca results in second place.

The First Contact

The post-electoral plans discounted the possibility that De la Rúa and Angeloz would win. However, they had not closed the door on Usandizaga and Montiel. Alternative plans may have been devised then to provide rapid transit routes without running the risk of losing the initiative.

According to the Alfonsinists who confirm these attempts, on that very Sunday night a contact was announced to De la Rúa for Monday morning. This did not occur but, to replace it, a meeting with "someone who is a close confidant" of Alfonsin reportedly "stole a few minutes" (actually, over three quarters of an hour) from the deputy elect. There was a hint of the opening of negotiations, not only with an eye on Thursday's meeting, but also with a longer view, aimed at a decision that could hardly be postponed beyond December.

The envoy ("an Alfonsin confidant") may have realistically considered several options, summarized shortly thereafter as follows: If De la Rúa is willing to match not only prestige, but also power, with Angeloz, he could have Alfonsinist support on two levels: the internal party realm, and the candidacies for 1995. The only time that De la Rúa was a presidential possibility (in 1983), he declined in favor of Alfonsin. However, Angeloz had gone ahead of him, sealing the agreement that promoted Martinez as vice president.

This time it could be different, depending on the offer: an active, noticeable presence on the National Committee, and the commitment to back him for the 1995 candidacy.

Angeloz's Floor Levels

During the first week of last June, when the Radical internal election in the province was being decided, Angeloz ventured the notion of a "new UCR," based on his leadership and those of De la Rúa, Montiel, and Usandizaga.

On Monday, the topic reportedly had considerable influence on the arguments raised to Da la Rúa: Two of the supports claimed by Angeloz had collapsed: Usandizaga and Montiel had been passed over by the Peronist apparatus. Only De la Rúa remained standing. But, "De la Rúa has so much clout, and has as many connections as Angeloz; furthermore, his victory was more clearcut and definite than that of the Cordoban governor." This was the temptation, with traces of objectivity, concealing the opportunistic signs.

It may also have been observed that election as a deputy is not a final goal, but rather the beginning of "the march toward the Senate seat next year and (with the party's pledged support) to the elective superintendency: It is a topic that the National Committee chairmanship offers as an issue to be battled; and that will be a top-level matter." This was what he was promised.

Angeloz, 'Neither Slow Nor Lazy'

The fact that the Alfonsinists consider Angeloz the "enemy" at this stage would clearly appear from the very plan being considered by the Cordoban governor in early June, as well as from the reasons for seeking the alliance with De la Rúa.

In principle, he is the only one, except Alfonsín, who attempted to set foot outside his district, with national intentions. He gave formal backing to Melchor Posse in the Buenos Aires internal elections. It could not be concealed from anyone that Usandizaga, limited to Rosario and busy establishing his territorial presence in Santa Fe, recognized Angeloz as a national leader. Montiel would be left quite restricted if he failed to open a channel to Angeloz, despite the failed attempts that occurred at convention meetings (due more to Angeloz's reluctance than to that of Montiel himself).

On Monday Angeloz minced no words demanding that an exhaustive analysis be made of responsibilities for the "worse than meager" results that occurred "in a district from which considerably more could have been expected." This was an obvious reference to Buenos Aires and Pugliese's candidacy. Concurrently, De la Rúa maintained a discreet, uncommitted silence, retaining his traditional style. The latter did not prevent him from taking a leap from Balbinism to Alfonsinism, from Alfonsinism to the "coordinating group," and from the "coordinating group" to the present "no man's land," in search of his consolidation, currently so uncertain.

Anonymous Callers Demand Seineldin for President

PY1710012691 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2220 GMT 16 Oct 91

[Text] Buenos Aires, 16 Oct (NA)—Anonymous callers harshly criticized the government and demanded the elevation of convicted Colonel Mohamed Ali Seineldin to commander of the Armed Forces and president of the nation. The calls were received in several press offices in the federal capital.

In a recorded communique, which was not received at the NA news office, a "military command" said "chaos and immorality reign" in Argentina.

The communique charged: "The military institutions have been subjected to such disgraceful and disrespectful treatment that Army Chief Martin Bonnet's lack of leadership has become evident."

The communique concluded by reading: "The objective is to make Mohamed Ali Seineldin commander in chief of the Army [as received] and president of the nation."

Renewal, Change Movement To Become New Faction

PY1610215691 Buenos Aires BUENOS AIRES
HERALD in English 16 Oct 91 p 11

[From the "Argentina in Brief" column]

[Text] (DYN)—The Radical Renewal and Change Movement yesterday followed in the footsteps of ex-President Raul Alfonsín and agreed to dismantle its 20-year structure. The movement will dissolve to create a new party faction, the Social Democracy line, that will be headed by Alfonsín. The Renewal and Change Movement was founded in the 70's to promote the candidacy of Alfonsín against former party leader Ricardo Balbín. Last week, Alfonsín bowed out of the party leadership by announcing his decision not to run for re-election as Radical Party chairman.

Cabinet Suspends Judicial Self-Sufficiency

PY1210001291 Buenos Aires BUENOS AIRES
HERALD in English 11 Oct 91 p 11

[Text] (DYN)—The national cabinet decided yesterday to ratify the full contents of decree 2071, which suspended for one year the financial self-sufficiency of the judicial branch of power, and said the Supreme Court was "not qualified" to annul the resolution.

Brazil

Agriculture Minister Asks U.S. To Cut Tariffs

PY1710171891 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1000 GMT 17 Oct 91

[Text] Brazil asked the United States for a 50-percent reduction in its customs duties.

This petition was made by Agriculture Minister Antonio Cabrera during a meeting in Washington with his U.S. counterpart, Edward Madigan.

Cabrera said Brazil favors total removal of customs duties imposed on exported Brazilian products, as well as the end of agricultural subsidies.

The U.S. representative said the solution to these problems depends on the success of the Uruguay Round of GATT talks.

GATT negotiations have been suspended since last year, mainly over disagreements on the issue of agricultural subsidies.

The agriculture minister announced that if no GATT agreement is reached, Brazil will sign bilateral agreements with the United States to obtain the reduction of customs duties.

In Cabrera's opinion, the main problem now involves orange juice. Concerning this export item [preceding word in English], Brazil pays the North Americans \$1 billion per year.

Long-Range Satellite Project Signed With PRC

*PY1710010691 Brasilia Voz do Brasil Network
in Portuguese 2200 GMT 16 Oct 91*

[Text] The Brazilian and PRC Governments have signed an agreement on the joint construction of a long-range satellite that will reduce both countries' dependency on images generated by U.S. and European satellites.

The Science and Technology Secretariat signed an agreement with the PRC Government that will allow contracting of the first enterprises to be involved in building a remote tracking satellite developed by both countries.

The agreement on construction of the Brazilian-Chinese satellite was signed in 1988, but remained inactive due to Brazil's lack of funds to finance the project. According to the agreement, Brazil must finance 30 percent of the expenditures, which amounts to \$45 million.

The Brazilian Government was supposed to disburse \$10 million this year but the Science and Technology Secretariat only received \$2 million. A request for the remaining \$8 million is currently in Congress.

Science and Technology Secretary Edson Machado de Souza believes Congress will approve disbursement of the remaining \$8 million, so much so that during his visit to the PRC last week, he got the PRC counterpart to release its resources in order to begin construction of the satellite.

Machado explained the advantages that the joint project has for Brazil:

[Begin recording] The biggest advantage is that we will acquire technology and will train technicians and scientists of the National Institute of Space Research [INPE],

which will acquire technology that Brazil still lacks—that is, the expertise for construction of large satellites. [end recording]

The remote tracking Brazil-PRC satellite is scheduled to be launched in 1994 and will allow the two countries to be less dependent on images produced by U.S. and European satellites.

Further on Satellite Agreement

*PY1710021291 Rio de Janeiro O GLOBO
in Portuguese 16 Oct 91 p 14*

[Text] Sao Jose Dos Campos—In November Brazil will resume participation, together with the PRC, in the construction of two satellites for natural resources research. The project, estimated at \$150 million, was interrupted two years ago due to a lack of funds. Brazil is supposed to finance \$50 million [as published] and honor a \$2 million debt, a PRC requirement for continued participation in the project.

The Brazilian Government expressed its desire to continue cooperating in a letter that President Fernando Collor presented to the PRC Government last September. In late November, seven PRC scientists will come to discuss with Embraer [Brazilian Aeronautics Company] the transfer of technology for construction of the satellite's structure. The second satellite of its kind will be tested by the National Institute of Space Research (INPE).

According to the program, Brazil is responsible for developing and producing a series of items, which it was unable to do in the past two years. On the PRC side, the program developed by the PRC Space Science and Technology Academy (CAST) was not interrupted.

The Brazilian-Chinese Earth Resources Satellite (CBERS) falls within the framework of an agreement signed in July 1988. The satellite should be launched by a PRC rocket in 1992, but, according to INPE scientists, it is more likely that it will be launched in 1995. The CBERS will be equipped with the most modern equipment capable of photographing objects on the earth larger than 10 meters.

Most of the time the satellite will be monitored by the PRC. It will be used to obtain information on deforestation, mineral resources, the development of harvests, and other missions. Brazil will get one third of the resources obtained through the sale of satellite services.

*** Mercosur Nations View Parallel Patent Accord**

*92SM0018C Sao Paulo O AZETA MERCANTIL
in Portuguese 7-9 Sep 91 p 14*

[Article by Sao Paulo correspondent Mariluce Moura]

[Text] The Mercosur [Southern Cone Common Market] countries may decide to sign accords that parallel each country's legislation on intellectual property with a view

to affording differentiated treatment within the context of this market to patents on pharmaceuticals and medicines. The issue recently began to be approached in technical terms, according to Paulo Afonso Pereira, president of the National Industrial Property Institute (INPI), and will probably be debated at a meeting of Mercosur leaders scheduled to be held in October in Brasilia.

The idea is that even with the recognition of patents in the pharmaceutical field, Brazil, Argentina, Uruguay, and Paraguay would function as a unified territory in relation to products and processes patented by each of the Mercosur member countries. This would make it permissible, for example, for a product protected in Brazil to be manufactured in Argentina rather than exploited locally as the intellectual property bill now in the National Congress provides.

According to Pereira, the subject must be discussed more thoroughly but "in principle, it has been acknowledged that a treaty could be signed, regardless of each country's specific legislation." Actually the laws are now being amended and although Brazil already has a bill in its legislature, the administration in Argentina has merely promised to submit a bill, also recognizing patents, to its Congress.

Incidentally, Argentine Foreign Minister Guido de Tella recently told the newspaper EL CLARIN that his country would not move ahead on the issue of patenting pharmaceutical products without exchanging views with Brazil, so that they could adopt a joint position toward the United States. "Our position with the Brazilians will be monolithic," he said. Brazilian Foreign Minister Francisco Rezek noted, however, that he had not talked with his Argentine counterpart.

Marques To Implement IMF Anti-Inflation Program
*PY1710202091 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 14 Oct 91 Section 1 p 3*

[Text] Brazilian Economy Minister Marcilio Marques Moreira is committed to implementing a stabilization program to bring Brazilian inflation back under IMF supervision. He made this commitment before the IMF acting committee that met with 22 ministers in Bangkok on 13 October.

In his speech to the committee, Marques said: "Brazil is committed to implementing a stabilization program." He added: "We have already reached basic understandings with the IMF on the main points related to a 20-month 'stand-by' agreement."

Marques sought the support of the IMF acting committee for Brazil's foreign debt negotiation. He said: "A successful conclusion of the renegotiation is an essential element in our program." He noted that the concessions granted to Brazil are "very reduced," adding that the government expects "that an agreement will be reached soon."

Marques later told the media that agreement with the IMF is scheduled for December, but only after the fiscal measures that seek to cut the budget to the level established in the agreement program have been implemented.

Brazil has committed itself to the IMF to produce a primary surplus in the public sector equivalent to at least 2.4 percent of the gross domestic production (GDP) in 1992 and 4 percent of the GDP in 1993. Marques said that if the reduction of expenses is not achieved through tax reform, the government will adopt other measures to increase tax collection.

The minister said that the stabilization program "will lead to a definite implementation of a market economy, with free prices."

Marques disagreed with the IMF report entitled "Prospects for the World Economy," which states that the Brazilian economy will continue to be marked by recession this year. He noted that economic growth is already guaranteed by the expansion registered during the second quarter.

The minister said that "we are too far down in the hole" and added that despite the stabilization program, the GDP "will increase next year." [sentence as published]

General Warns of Crisis Jeopardizing Democracy
*PY1610212291 Madrid EFE in Spanish 1515 GMT
16 Oct 91*

[Text] Rio de Janeiro, 16 Oct (EFE)—In a letter to the three military ministers, General Nilton Cerqueira, president of Brazil's Military Club, noted that Brazil's political and military crisis jeopardizes "the survival of the democratic state."

"Due to neglect by authorities," Brazil is currently experiencing "absolute disrespect for law and order" and an "explosion of corruption at all levels of government," Cerqueira stated. The military officer also criticized "the covert action of economists who take their turns in the government," economists who are denying financial resources to the Armed Forces.

According to the writer, the letter, which was also sent to Justice Minister Jarbas Passarinho, does not, however, represent a judgment of the performance of Brazilian President Fernando Collor.

Rio de Janeiro Governor Leonel Brizola accused Cerqueira of "threatening" with "the idea of a new authoritarian regime" like the one that governed Brazil between 1964 and 1985. Cerqueira responded that Brizola "should say who is willing to stage a coup." He stressed that the military are not thinking of such a thing.

The general noted that there is the "threat" of institutional disruption in Brazil due to "the chaos in large metropolitan areas and the paralysis of rural production."

Cerqueira's criticism of the government added to criticism expressed over the past few weeks by other Armed Forces publications such as the magazine "HOMBRO A HOMBRO" [Shoulder to Shoulder], which compared Collor to "a lousy" Formula One driver who "makes mistakes when shifting gears."

* Zero Industrial Production Growth Foreseen

92SM0029B Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 21-23 Sep 91 p 12

[Article by Vera Saavedra Durao]

[Text] The CNI [National Confederation of Industries] is projecting zero growth for industrial production this year.

In the forecast of Marco Guarita, head of the CNI's Economic Department (Decon), the economic indicators relating to the comparative performance of industry in June and July showed an increasing pace of activity, but the pace is expected to slacken in September in view of the policy of high interest rates practiced by the government. In Guarita's opinion, "the last quarter of the year will probably thwart the resurgence of production that began last March and thereby lead into a new recessionary cycle."

The survey released by the CNI on Friday confirms the trend toward a revival of production in July, when industrial sales recorded growth by comparison with June in the six states surveyed by that organization. The greatest increase in sales—12.68 percent—was recorded in Bahia. The smallest increase—0.05 percent—was recorded in Rio Grande do Sul. The increase in Sao Paulo was 10.02 percent, Santa Catarina 10.72 percent, Pernambuco 10.2 percent, and Minas Gerais 6.76 percent. The figures for employed personnel increased, notably in Pernambuco with 1.53 percent, Bahia with 1.21 percent, and in third place Sao Paulo with 0.74 percent.

The survey by Decon also investigated the behavior of the level of installed capacity, which recorded growth in all states except Rio Grande do Sul. Santa Catarina attained a rather high level of installed capacity—84.6 percent—and Minas Gerais 80.5 percent. Sao Paulo was in third place with 77.2 percent.

Overtime also increased in July, and when this increase is cross-checked with the variable for employed personnel it shows that in July there was an increase in the average work day. The figures for total wages, however, show a decline in Pernambuco of 3.02 percent and in Bahia of 2.5 percent. The biggest increases in total wages (average wage times employed personnel) were 3.01 percent in Sao Paulo and 2.93 percent in Minas Gerais. Guarita forecasts, however, that with the new decline in production and the acceleration of inflation these indicators will probably begin a downward trend.

Installed Capacity	July 91 (%)	June 91 (%)
Pernambuco	61.89	59.35
Bahia	74.68	74.22
Minas Gerais	80.50	79.32
Sao Paulo	77.20	76.00
Santa Catarina	84.60	83.48
Rio Grande do Sul	67.90	78.91

Source: CNI Industrial Indicators

* Avibras Adapts Astros II for Coastal Defense

92SM0001B Sao Paulo GAZETA MERCANTIL
in Portuguese 6 Sep 91 p 15

[Article by Carlos Lovizzaro]

[Text] Sao Jose dos Campos—Avibras Aerospace Industry, Inc. has developed a coastal defense application for its Astros II, an artillery rocket system that so far has been used only for ground defense.

"We are negotiating with the Ministry of Army to test the new application," says Roberto Lopes, the firm's manager of government relations. And he added: "The tests with the Army will serve to indicate the parameters for using Astros II against maritime targets."

In theory, the launchers will not require any changes in order to defend the coast. "We are convinced that the doctrine concerning the new use is correct, and many customers have been consulting us about the matter, an indication that there is a potential new market for Astros II," he says.

From the firm's standpoint, closing new deals is a matter of survival, since it needs to obtain funds with which to pay the second installment due under the terms of its composition with creditors. That installment is due on 5 January 1992. Lopes says: "We are going to announce the new application in the leading defense catalogues in Europe and the United States."

The idea of establishing a new doctrine for the ground-to-sea use of Astros II is based on the similarity in behavior between a ground target consisting of an assault troop formation and a maritime target made up of an assault wave with support vessels and landing ships. The landing party can be attacked by rocket batteries deployed along the coast at distances ranging from 30 to 70 km.

An Astros II battery with six SS-40 launchers has a range of 40 km and can launch a 16-second salvo of 96 rockets that will hit any target within an area of 4.2 square kilometers with their 1,920 high-explosive shells (each warhead carries 20 high-explosive shells).

The SS-60 has even greater destructive power, since each salvo of 24 rockets is fired by a battery of six launchers in 13 seconds and covers an area of 10 square kilometers, with warheads carrying 1,560 high-explosive shells.

Lopes admits that the rockets are not powerful enough to sink large ships. "The objective is to destroy the landing ships and disable the large ships, thus putting them out of action," he says.

Besides its firepower, another attractive feature of Astros II would be its operability. Its rockets are immune to electronic countermeasures, and the launchers can be located far from the coast and out of range of enemy artillery.

The costs, according to the Avibras manager, are also attractive. According to Lopes, a single Exocet missile costs about \$100,000 and is capable of destroying a single target. A salvo of 192 SS-30 rockets has a range of 30 km, would cost about \$788,000, and would destroy targets in an area of 1.5 square km.

The largest investment would be for launchers. They have an estimated cost of \$2 million each, making a total of \$12 million for a six-unit battery.

Chile

Officials on Possible Pardons of Prisoners

PY1710115491 Santiago Television Nacional
de Chile Network in Spanish 2330 GMT 16 Oct 91

[Text] President Patricio Aylwin's announcement yesterday at the University of Santiago provoked different reactions. The president said the status of all political prisoners would be resolved before the end of the year.

Andres Allamand said that President Aylwin is confusing his priorities in announcing that he will consider the release of all political prisoners before the end of the year. The National Renewal Party president said the announcement was untimely given the high decree of insecurity in the country.

[Begin Allamand recording] We do not doubt that the president has been studying each particular case in recent months to decide whether he will use his constitutional prerogative to pardon them. But we think that the moment to exercise this prerogative is very important. [end recording]

Christian Democratic Party Senator Ricardo Hormazabal said the president is fulfilling a commitment he made to the country.

[Begin Hormazabal recording] The argument used by other groups pointing out citizens' insecurity, asserting that the president's decision is excessive, and stressing that it might endanger the lives of women, children, and men in this country is fallacious and deceiving. The groups who criticize the president for reestablishing justice have said nothing about those who murdered defenseless Chileans during the past regime and who are covered by an amnesty law that protects them from being tried. These groups were accomplices in very important violations and now do not want to understand

that the conduct of all human beings, no matter what their beliefs, deserves equal treatment. Those who murdered and tortured Chileans who thought different can walk freely, and they allegedly do not constitute a danger to society. I think all Chileans reject that argument because we want respect for the life and rights of all individuals, regardless of their political position. [end recording]

Son of EL MERCURIO Owner Kidnapped

PY1310020291 Santiago Television Nacional
de Chile Network in Spanish 0030 GMT 13 Oct 91

[Text] The Spanish Consulate in Santiago received a telephone call last night in relation to the case of Christian Edwards, who is missing. An individual who claimed to be a spokesman of the FMR [Manuel Rodriguez Front] said that this organization has the son of the EL MERCURIO owner. He added that Christian Edwards will be sent home in exchange for the release of political prisoners.

The spokesman, who was reported to be very nervous, said that the deadline for fulfillment of this demand was 72 hours. The call was received by Juan Martin, a civilian attache of the Spanish Embassy in Chile.

The police said that this is just one more of a number of calls that have been received on the Edwards case and not much credibility is accorded to this call. In any case, it has prompted a number of police activities.

Israeli Group Claims Responsibility

PY1410194491 Santiago LA TERCERA DE LA HORA
in Spanish 28 Sep 91 p 7

[Excerpt] Vina del Mar—An Israeli group that calls itself "Mossahd" claimed responsibility for the kidnapping of EL MERCURIO newspaper executive Christian Edwards del Rio, 33, who has been missing since 9 September.

This was discovered on 26 September after an anonymous telephone call to the press room of the Vina del Mar Festival radio station. The call was answered by on-duty reporter Miguel Suarez de Lima.

The call was made by a man with a foreign accent who in 24 seconds read a brief declaration: "We, from the Israeli 'Mossahd' commando, admit that Christian Edwards is in our power. Our organization kidnapped him because Edwards betrayed Zionism, which is a very serious offense against the loyalty of his own family, which is also currently looking for him. Christian is out of Chile due to obvious security reasons for our organization. Nothing else." [passage omitted]

'Coordination Problems' Noted in Letelier Case

*PY1710124091 Santiago Television Nacional
de Chile Network in Spanish 2330 GMT 16 Oct 91*

[Text] There seems to be coordination problems between the Army and Judge Adolfo Banados in the Letelier case. The problems, however, were not publicly noted, but no one was interrogated today in connection with the case's investigation.

Judge Banados remained at home in the morning. He came to the Court Palace shortly before 1500 and met with lawyer Miguel Retamal Fabri, defender of Brigadier Pedro Espinoza, who asked to see the inquiry documents in order to prepare an appeal.

There was speculation about Banados' absence at the tribunal this morning, as well as the absence of anyone testifying. The two meetings with Army Prosecutor General Fernando Torres Silva, the note sent by Judge Banados to General Augusto Pinochet, and the summons of high-ranking, active-duty Army officers caught the attention of reporters in the last few days.

[Begin recording] [Banados] If there was any trouble, any inconveniences...[pauses] we would try to solve them, of course.

[Unidentified reporter] Is the Army cooperating in the investigation?

[Banados] I do not know; there are issues pending.

[Reporter] Is their attitude positive?

[Banados] Let us hope so. Let us expect that the summons will be respected. Please be careful with that step.

[Reporter] Is the Army coordination with court proceedings working?

[Banados] So far yes.

[Reporter] Why have the colonels you summoned not appeared yet?

[Banados] Well, there are several reasons, nothing to be too concerned about. [end recording]

The coordinator between the Army and Judge Banados, Justice Colonel and Lawyer Enrique Ibarra, denied there were any coordination problems, adding that he was not aware of any summons to other officers.

[Begin recording] [Ibarra] I think Army coordination with Judge Banados is working very well.

[Unidentified reporter] Has there been any problem with the officers who were called to testify?

[Ibarra] I do not know what officers you are talking about because as far as I know no officer has been summoned to testify so far.

[Reporter] If they are summoned, will the Army cooperate and see that they are placed at the disposal of the court?

[Ibarra] The Army always has been willing to place its officers at the disposal of the court if their testimony is required.

[Reporter] It is said that there are tensions because the judge summoned Army officers.

[Ibarra] I beg your pardon.

[Reporter] What about possible tensions because of the summons?

[Ibarra] I do not know what kind of tensions they might be referring to.

[Reporter] The summons to officers to testify.

[Ibarra] There is no tension. The Army will place any officer who is summoned at the disposal of the court. [end recording]

The third panel of the Supreme Court will decide on the indictments Judge Banados issued against General Manuel Contreras and Brigadier Pedro Espinoza Bravo.

Suspect in Senator Guzman Assassination Indicted

*PY1710152491 Santiago Television Nacional
de Chile Network in Spanish 2330 GMT 16 Oct 91*

[Text] The Santiago Appeals Court has issued the first indictment against a suspect in Senator Jaime Guzman Errazuriz' assassination.

The individual is a 23-year-old student named Sergio Eduardo Olea Gaona. He was in Spain until a few weeks ago. The indictment was rejected by prosecutor Guillermo Navas Gustamante earlier in the process but the Santiago Appeals Court confirmed it.

[Begin recording] [Judge Enrique Paillas] I can answer your questions by quoting the code: There are strong indications. This court decided the evidence is strong enough to try him.

[Unidentified reporter] Is he being indicted as the alleged assassin?

[Paillas] Yes. As the presumed assassin.

[Reporter] Did the court ask that the suspect be brought to the country?

[Paillas] The accuser has to make the petition to the prosecutor, as appropriate. [end recording]

In the next few days, the Interior Ministry will request Olea's extradition. The student allegedly participated in the attack to kill Sen. Jaime Guzman at the Catholic University on 1 April.

Prosecutor Navas announced tonight that the Attorney General's Office will request ex officio the extradition of Olea.

Terrorist Group Attacks 3 Mormon Temples

*PY1210181091 Santiago Radio Cooperativa Network
in Spanish 1100 GMT 12 Oct 91*

[Text] Terrorists attacked three Mormon temples on 11 October. One of the attacks occurred at the temple at the corner of Las Industrias Avenue and Carmen Mena Street. The two other attacks occurred at 2030 and 2100 at the temples on Lazos and Politico Streets, in Lo Sierra District.

In a phone call to the UPI news agency, the terrorist Lautaro Youth Movement reported that the attacks had an anti-U.S. Government objective.

Police Arrest Five FPMR, Lautaro Group Members

*PY1410201491 Santiago Radio Chilena Network
in Spanish 1600 GMT 14 Oct 91*

[Report by Hugo Vergara]

[Text] Investigative police agents have arrested five members of the Lautaro Youth Group and the Manuel Rodriguez Patriotic Front [FPMR] who operated in La Florida district. The operation was carried out by La Florida detectives and investigative police. With the arrest of these subversives, police have been able to solve at least eight armed robberies in the greater metropolitan area. Police also recovered items worth a total of about 21 million Chilean pesos.

Police have identified those arrested as Raul Humberto Gonzalez, 20; Patricio Arnoldo Winka, 23; Fidel Humberto Mendez, 24; Patricia Adriana Fuentes, 26; and (?Gerardo Patricio Bari), 36. All of them will be placed under the jurisdiction of Judge Gloria Olivares, who is in charge of investigating the origin of these two subversive groups.

Reportedly, when arrested, the subversives were carrying an M-16 rifle, two pistols, one sawed-off shotgun, one revolver, and elements used in the manufacturing of explosives.

Weekly Reviews Different Factions of FPMR

*PY1410155691 Santiago ANALISIS in Spanish
30 Sep-13 Oct 91 pp 17-19*

[Report by Susana Kuncar]

[Excerpts] For the ordinary man on the street, the acronyms FPMR [Manuel Rodriguez Patriotic Movement], FPMR-A [Manuel Rodriguez Patriotic Movement-Autonomous], and MPMR [Manuel Rodriguez Patriotic Movement] may sound more like a tongue twister than specific political groups. Generally speaking, the character of these groups is linked to use of

the armed struggle against General Augusto Pinochet [during his 1973-1989 regime]. The fact that they have split up and that the various groups, in turn, are divided into factions or internal leanings and that some have become a political movement giving up acts of violence and that the leaders of the former are at large or were arrested by the police during much publicized operations may cause even greater confusion. The truth is that Chile has not had the same experience as other Latin American countries, where the guerrilla groups have begun political negotiations with the legally established authorities, handing over their weapons and presenting candidates even for president of the republic. In Chile, the process is much more confusing and marked by the particular characteristics of a negotiated transition.

Last 31 May the FPMR, regarded as a front party due to its close links with the Communist Party of Chile [PCCh], announced its intention to give up the armed struggle and became the MPMR. They never handed over their weapons, but did confirm their previous political leanings and their determination to find a political space in the democratic system. [passage omitted]

Background

In 1980 the PCCh publicly announced its "popular rebellion of the masses" policy, which advocated that any form of struggle against Pinochet's dictatorship was valid. The FPMR surfaced three years later as a expression of those ideals. [passage omitted]

In late 1985 the FPMR started planning to smuggle weapons into the country through northern Chile. This plan materialized in 1986, which has been characterized as "the decisive" year. This operation was linked to "Operation 20th Century," which consisted of an attack on Pinochet and his entire retinue in September 1986. The failure of these two operations resulted in internal repression and divisions. This is when the FPMR-A faction (independent from the PCCh) was created. The FPMR-A carried out the spectacular abduction of Colonel Carreno (Operation Prince) in 1987 and openly chose the military struggle, drawing up "National Patriotic War" strategies.

In 1988 the PCCh chose to accept the existing institutional framework and participated in the plebiscite. In practice, it "froze" the FPMR, although it acknowledged its existence. Although it is said that the great majority of the FPMR's leadership accepted the decision and gradually returned to the PCCh structure, the FPMR militia or masses' front was allegedly strongly against the PCCh and chose to maintain their own identity.

In the meantime, the FPMR-A continued to carry out selective attacks (the murders of Roberto Fuentes Morrison and Colonel Luis Fontaine) and unsuccessfully tried to generate a movement of masses through the "Patriotic Youths." As a result of the attack in which UDI [Independent Democratic Union] Senator Jaime

Guzman died last April, it has been said that the FPMR-A suffered divisions. [passage omitted]

As a result, sources close to the FPMR-A said that there are three leanings within this front: one in favor of the "National Patriotic War;" another that proposes openly working with the masses to organize popular groups; and a last one that proposes returning to the party or simply doing nothing. There is no information on the correlation of forces between the three leanings but it is said that they have weakened the FPMR-A to such a degree that they have practically annulled it. Moreover, intelligence information states that many members are joining the MPMR. [passage omitted]

Officials Successfully Fire Lightning Rocket

PY1110214491 Santiago Radio Chilena Network in Spanish 1700 GMT 11 Oct 91

[Excerpt] Defense Minister Patricio Rojas successfully fired today the Lightning rocket in Iquique.

Army Commander General Augusto Pinochet and other Army authorities also attended the ceremony.

The new rocket, also known as the missile of the poor, was launched by Minister Rojas and then by Gen. Pinochet near the Baquedano fortress.

This rocket is being built jointly by FAMAE [Army Ordnance] and by British Royal Ordnance. [passage omitted]

Army Production Projected

PY1710132091 Madrid EFE in Spanish 1750 GMT 15 Oct 91

[Text] Santiago, 15 Oct (EFE)—Military sources, cited today by the newspaper LA NACION, reported in Santiago that the Chilean Army is in a position to build 2,000 "Lightning" rockets per year, but that they will be produced in accordance with orders for them because the main objective is to export them.

The "Lightning" is a complementary artillery rocket that, according to the Chilean Army, is of a defensive nature, and costs an estimated \$7,000 per unit, and for this reason it has been called the "rocket of the poor."

The sources, who asked not to be identified, added that at least a dozen countries from America, Africa, and the Middle East have expressed interest in purchasing the rocket, designed jointly by the Chilean Army and the British Royal Ordnance. [preceding two words given in English]

Although the names of the interested countries have not been released, military attaches from Brazil, Colombia, Ecuador, Paraguay, Uruguay, and Venezuela were present at the testing of the "Lightning" rocket on 11 October in the northern Chilean desert.

The 160mm rocket, which is 3.213 meters long, can carry conventional explosives or cluster bombs in its warhead; it has a range of 36 km, although during the 11 October test it flew 29 km.

The rocket can be launched individually or from a multiple rocket launcher that can be mounted on helicopters or any military vehicle.

Project on Foreign Investment Approved

PY1710150491 Santiago Radio Nacional de Chile Network in Spanish 1130 GMT 16 Oct 91

[Excerpt] Economy Minister Carlos Ominami and Foreign Investment Committee Executive Secretary Fernan Ibanez have reported that a project on foreign investment totaling \$1.5 billion has been approved. This project is designed to reactivate the Candelaria copper mine, and will be financed by the Japanese company Sumitomo and U.S. companies.

The mine, located in the Third Region near Copiapo, has reserves totaling 690 million metric tons of mineral, which will yield 108,000 metric tons of fine copper per year. [passage omitted]

Commercial Agreement Signed With Poland

PY1710174091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 16 Oct 91

[Text] Chile and Poland have reached a commercial agreement that was signed at the Foreign Ministry by Foreign Minister Enrique Silva Cimma and Polish Foreign Trade Vice Minister Sminio Okonsky.

The Polish official described the document as a basic instrument for promoting bilateral relations. It will help to exchange goods and merchandise among businesses from both countries.

According to the agreement, the bilateral commerce exchange will be carried out on an equal basis. As part of this agreement, some Polish enterprises already have committed themselves to participate in the Santiago Industrial Fair scheduled for November 1991, and it is expected that Chilean businessmen will participate in a similar fair in Poland in June 1992.

Okonsky said his country is mainly interested in the new techniques used for building houses in Chile. They are also expecting to improve bilateral exchanges in other fields such as technological transfer, the naval industry, culture, and others.

Chilean and Polish representatives expressed their satisfaction over this agreement, which was described by Okonsky as a flourishing example of bilateral relations.

Silva, in turn, said this agreement marks the beginning of solidarity and struggle for freedom and democracy in both countries.

Colombia

Border Crime Agreement Signed With Venezuela

PA1810014391 Santa Fe de Bogota Inravisión
Television Cadena 2 in Spanish 0000 GMT 17 Oct 91

[Text] Guerrillas, drug traffickers, kidnappers, terrorists, and car thieves will be persecuted from the land and the air at the Colombian-Venezuelan border. On 16 October at the Tolemaida Military Base, Colombian Defense Minister Rafael Pardo Rueda and Venezuelan Defense Minister General Fernando Ochoa Antich agreed to set up a permanent operation to fight crime in November.

The Colombian and Venezuelan defense ministers will meet every six months in Caracas and Bogota, alternatively, to evaluate the results of this agreement in the struggle against crime.

[Begin recording] [Unidentified reporter] Will this agreement help turn back the Colombian guerrillas at the border?

[Pardo] The agreement seeks to eliminate crime. [end recording]

The agreement calls for the military and police forces to exchange intelligence information and coordinate joint operations. The main targets are the Colombian guerrillas who have entered Venezuelan territory and terrified people in the large productive areas with kidnappings and extortions.

[Begin Ochoa recording] Venezuela is undoubtedly interested in supporting President Gaviria's peace plan in every way possible, because we feel that peace in Colombia directly benefits the interests of the Republic of Venezuela. [end recording]

The operation will begin following a summit of the commanders of the military forces of both nations. The summit will take place in Caracas, Venezuela in early November.

Congressional Candidate Freed by EPL

PA1610034891 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0100 GMT 15 Oct 91

[Report by Alberto Ordonez]

[Text] After being held captive for 26 days, Juan Jose Chaux Mosquera, candidate to representative of the Chamber of Representatives, was released safe and sound on 14 October and turned over to a commission of the Red Cross, human rights groups, church representatives, and the news media. Mr. Chaux was held by the Aldemar Londono Front of the Popular Liberation Army [EPL] of the National Guerrilla Coordinating Board. He was released in Sinai, Argelia municipality in southern Cauca Department. He carried a communique to the government from the Aldemar Londono Front of the EPL.

[Begin Chaux recording] Because of my release and as I have always felt, I think we should all commit ourselves to finding a political solution to violence. We should find a solution to its causes. We should find a solution to overcome the reasons why a large group of Colombians have distanced themselves from the political establishment. [end recording]

The release of candidate Chaux was held in the presence of many residents of Sinai who took advantage of the occasion to complain about the government's neglect of their area.

Rocket Fired at Police Garrison Damages Homes

PA1510163291 Paris AFP in Spanish 1845 GMT
14 Oct 91

[Text] Santa Fe de Bogota, 14 Oct (AFP)—Police reported on 14 October that a rocket was fired at the Garzan police garrison in Huila Department, presumably by left-wing guerrillas. No personal injuries were reported, but 10 homes were damaged.

Major Filiberto Salcedo, commander of the Third Police District, said that the U.S.-made antitank rocket flew over the Garzan police garrison and struck several homes.

The officer said that 10 homes were seriously damaged, but there were no deaths or injuries. He concludes that the attackers aimed at the police garrison, but miscalculated the trajectory.

Salcedo has initially blamed left-wing guerrillas, but did not specify which group.

Following the interruption of talks in Caracas between President Cesar Gaviria's government and the Simon Bolivar Guerrilla Coordinating Board (CGSB), terrorist attacks on remote villages have increased over the past few days.

Fifteen days ago Gaviria ordered negotiations with the CGSB suspended following the foiled attack against former Congress President Aurelio Iragorri, in which seven people were killed. The CNGSB is comprised of the Revolutionary Armed Forces of Colombia, the Army of National Liberation, and a splinter group from the demobilized Popular Liberation Army.

Roundup of Guerrilla Activities 7-16 Oct

PA1610001991

[Editorial Report] Santa Fe de Bogota EL NUEVO SIGLO in Spanish on 6 October publishes an 80-word report on page 7, reporting that during a military commando operation, five members of a family were rescued. They had been kidnapped by the new guerrilla organization "Alvaro Ulcue Chocue." In addition, the newspaper reports that three FARC, Revolutionary Armed Forces of Colombia, rebels were killed in Putumayo area.

Mexico City NOTIMEX in Spanish at 0004 GMT on 10 October, transmits a report datelined Santa Fe de Bogota on guerrilla attacks in Vichada and Cordoba. According to an official bulletin, about 150 Simon Bolivar National Guerrilla Coordinating Board, CNGSB, members raided La Primavera, 560 km east of the capital, killing one policeman during the ensuing clashes between the two forces. The report adds that the rebels destroyed the police post and injured two policemen patrolling the area.

The report continues that another group of rebels occupied Santa Rosalia. During the raid, the rebels looted the commercial sector, wounding four policemen and killing four civilians.

The report adds government troops killed three Army of National Liberation, ELN, members in the northern province of Cordoba.

Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish at 1730 GMT on 10 October broadcasts a one-minute report on clashes between the Armed Forces and the FARC's 18th Front, close to the Chirajara Bridge, on the Santa Fe de Bogota-Villavicencio road, on 10 October. Two rebels were killed during these clashes.

Santa Fe de Bogota EL NUEVO SIGLO in Spanish on 9 October on page 12 publishes a 200-word report saying that two policemen were killed in an ambush on 8 October by presumed ELN guerrillas in the municipality of Tibu, Norte de Santander Department. The report adds that in another action also attributed to the ELN, a medium-intensity bomb partially destroyed a police post under construction in Siberia, municipality of Caldono, Cauca Department.

The same source on the same page also carries a 300-word report under the "News Briefs" column on weapons confiscated from the guerrillas in Narino and Santander Departments. It says that a raid conducted by the Army on a farm owned by Jaime Scott in the municipality of Barbacoas, Narino Department resulted in the confiscation of an arsenal consisting of one MP-5 submachine gun; one mini-Uzi machine gun; three 16-gauge shotguns; two clips for 9-mm pistols; and 120 9-mm cartridges. The report adds that during a military operation in San Pedro, Narino Department, Army troops found a fragmentation grenade; a rifle grenade; electric tubes; and dynamite belonging to the FARC. In another action, troops of the Caldas Battalion discovered an ELN cache with 35-mm U.S.-made fragmentation grenades.

Santa Fe de Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 11 October carries a one-minute report saying that one policeman and at least two rebels were killed and five policemen were wounded as a result of incursions by CNGSB guerrillas in Cundinamarca and Santander Departments.

Santa Fe de Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 12 October carries a one-minute report

on an attack on the Agrarian Fund, Toledo municipality, northern Antioquia Department, which authorities attributed to ELN guerrillas. The report adds that one policeman was killed and two rebels were wounded in this incident.

Paraguay

Yacyreta Hydroelectric Project Talks Conclude

*PY1710141691 Asuncion ABC COLOR in Spanish
17 Oct 91 p 11*

[By special correspondent Ramon Casco Carreras]

[Text] Buenos Aires, 16 Oct— The Yacyreta hydroelectric project will not be left unfinished and the resulting treaty will be respected in all its clauses. These are the main conclusions arrived at after a day of intense talks today at the Foreign Ministry's two offices in Buenos Aires. The talks began in the morning at San Martin Palace and concluded in the afternoon at the other office the Foreign Ministry has on Reconquista Street.

It must also be noted that there is agreement between the parties to begin operations when the dam reaches the height of 76 meters above sea level. Moreover, our country insisted that resettlement and the protection of Aguapey and Tacuary Creeks be effectively completed—when the height of the dam is increased—and included in the agreement. We must recall that these protective measures will prevent the flooding of an additional 250 square km of national territory.

Regarding the rate to be charged by the future hydroelectric plant, there is no doubt that a more logical criteria was chosen. On 30 October in Asuncion, a bilateral commission will begin to evaluate the topic "on the basis of the Yacyreta Treaty, its ancillary documents, and market prices."

The ancillary documents obviously refer to Annex C of the treaty, which establishes the guidelines, or methodology, for calculating the rate and which includes, among other factors and as a main component in setting the price of electricity, the compensation that will be paid to the two countries for flooded territory. Paraguay will be paid more because it will sacrifice four times more territory than Argentina. Also to be included is the compensation for the energy concession, a clause included in both the Itaipu and Yacyreta Treaties, to refer to the "sale" of Paraguay's part of the energy from the two plants to its partners.

Ruben Cardozo, Argentine ambassador to our country, who also participated in today's meetings at the Argentine Foreign Ministry, has stated that the second stage has started, in other words, the project's final stage, because the agreement signed by the foreign ministers means an agreement between the two countries that

guarantees that "fundamentally construction will be concluded, and—if God so will—within the stipulated schedule. This is a paramount fact."

The schedule indicates that the first generator will go into operation in September 1994. In 1994 the production of electricity will be started at a height of 76 meters and will continue until September 1995, when the height of water in the dam will be increased by 2 meters to 78 meters. And finally, in accordance with the treaty, the final height of 84 meters will be reached in 1997. This is the project's schedule.

Cardozo also highlighted the Paraguayan delegation's great willpower, which was answered by its Argentine colleagues, to achieve today's solutions. He also stated that a stage now has started in which costs must be reduced and a tightening of belts must be made so the work can continue and conclude successfully on schedule.

He also explained that when a height of 76 meters is talked about it does not mean that it is the final height. On the contrary, it is just the starting height that has been accepted due to financial problems. He added that the objective is to reach a height of 84 meters when the project is concluded so that Yacyreta can produce at full capacity in accordance with its potential and, of course, Argentina will be the major consumer.

Asked whether the height of 76 meters that was agreed upon by the foreign minister means a victory for Argentina's position, he answered no. He stated that what Paraguay needed was a guarantee that the resettlement tasks and the protection of the creeks will be fulfilled, which, according to today's agreement, are now fully guaranteed.

Foreign Minister Alexis Frutos Vaesken returned last night from Buenos Aires. On his arrival at the airport, he referred to the agreement achieved with his Argentine colleague, Guido di Tella, mentioning that the work will continue and that a commission will be created to study the price of energy. "What is important is that the work will not be paralyzed and that Argentina will make the necessary disbursements so that the task can continue," he said. Regarding Argentina's three conditions in order to continue with the plant's financing, he indicated that it was decided that to reduce administrative costs, operations will begin at a height of 76 meters, and a commission will be created to study the price of the energy.

Peru

Legal Action Against Former President Approved
PY1510222091 Madrid EFE in Spanish 0401 GMT
15 Oct 91

[Excerpt] Lima, 14 Oct (ANDINA)—This evening, the Senate special committee investigating the Alan Garcia case approved a constitutional charge against the former president for the alleged ill-gotten accumulation of

wealth. The Senate committee document reads: "There is enough evidence to open a case against the former president."

Senator Francisco Guerra Garcia, president of the special committee, said that the committee's unanimous decision is in keeping with Article No. 184 of the Constitution.

The Senate document also orders the suspension of congressional immunity for Senator for Life Alan Garcia in order to place him under court jurisdiction, which will ultimately decide whether he is guilty or innocent. Guerra said that the Senate committee carefully analyzed the accusations approved by the Chamber of Deputies, which show that there is evidence of embezzlement.

The decision is based on alleged fraud in an operation to reduce a purchase order for Mirage airplanes and in the alleged acceptance of bribes by the Peruvian Central Reserve Bank for the deposit of Peruvian reserves in the Bank of Credit and Commerce International (BCCI). [passage omitted]

* Poll Indicates Support for Insurgents Rising

92WR0004Z Lima QUEHACER in Spanish
Jul-Aug 91 pp 40-45

[Report by Carmen Rosa Balbi: "A Disturbing Opinion Poll"]

[Text] The gains by subversion in the country are more obvious with each passing day, especially Shining Path (SL), whose actions have been marked by mounting violence that has further intensified in recent months.

Apoyo recently conducted an opinion poll in Metropolitan Lima to assess the phenomenon of subversion in the country.¹ The poll enables us to analyze the views that different strata of the population have on violence and terrorism, particularly that of Shining Path, which is responsible for the majority of terrorist acts. It bears noting that the poll was conducted amid widening violence; June, when it was taken, recorded the biggest death toll from violence of the last 10 years: 537 (DESCO [Center for Development Studies and Promotion] data bank).

Subversive violence has now become mainly urban, as almost half of the attacks so far this year have been concentrated in Metropolitan Lima.

What the Polls Say

A close look at the differences of opinion and perception among the various socioeconomic levels enables us to reach some conclusions. As can be seen in Table 1, the various strata more or less agree that the causes of terrorism are to be found in more structural problems rather than the economic crisis.² The differences of opinion and/or perception between socioeconomic levels emerge very clearly, however, on the other issues.

The first substantial difference of opinion can be seen in the percentages at levels C and D (Table 2), as the people at these levels feel that subversion is justifiable, owing mainly to poverty/squalor. They account for 41 percent of the respondents and 15 percent of the population of Metropolitan Lima.

We find that this view has spread concurrent with mounting disapproval of the economic program (44 percent) and with a mostly pessimistic opinion today of the plan's future.

Moreover, unlike in 1990, when most people (54 percent in October) thought that the economic program would be successful, now the tables have been turned, as a plurality (45 percent) feel that the program will fail. Thirty-four percent of the respondents approve of the program, though support is clearly strongest within the small stratum A, the highest income earners (42 percent). It is quite a bit weaker, however, within the socioeconomic stratum with the lowest income (28 percent). As we know, this stratum was Fujimori's voter base.

The widespread grassroots feeling that subversion is justified shows how the legitimacy of democracy has eroded in the eyes of broad segments of the population. The culture of democracy, put to the test in elections, is being weakened by the exclusionary nature of the current administration's neoliberal modernization program. People then begin to regard the current violence, with its death toll in the thousands, as a justifiable means of altering the social order.³ The values that are deeply rooted in democratic institutions are thus presumably beginning to undergo a profound transformation.

If we carefully analyze Table 3, which shows whether people denounce or condone terrorism (How do you react to a terrorist act?), it bears emphasizing that opposition is down on the average from December 1990 because it has declined most sharply within strata C and D, and accordingly the condoning of terrorism has risen. Only 2 percent of level A consider it justified, and denunciation within this stratum is up from 82 to 91 percent from six months ago. Concurrently, then, the attitudes of this segment towards violence and terrorism have hardened. If we keep in mind the heavy vote for Fujimori, these attitudes bear a direct relation to the ever increasing disapproval of the administration's performance. More than half of the respondents (53 percent) now disapprove of the job that the administration is doing, compared to just 27 percent who approve.⁴

This clearly shows the shifts that have taken place in support for the administration among socioeconomic levels. The upper class and the traditional right, which previously opposed Fujimori, are now his main base of support.

Terror as a Weapon and Authoritarian Tendencies

According to this same poll, 80 percent of the respondents said that terrorism has succeeded in creating fear;

the responses here are quite uniform across the various socioeconomic strata, with slight variations from one to another.

If we relate this response to the lower-income sectors' justification of terrorism, we could infer that those in these segments who feel this way would be willing to pay the price of political violence. This would imply an acceptance of terror as a valid tool for destroying the existing order and creating a new one that would emerge from its total destruction, as SL is proposing.

As Arendt reminds us⁵, terror as a strategy is first and foremost a show of force to the people in paving the way for a takeover of power. But it is also designed to "avenge" the victims of State terror, thus mobilizing resentment and the longing for justice. Second, it seeks to terrorize the government by showing terrorists' ability to strike at its very heart. At the same time, sustained action in this direction symbolizes the qualitative growth of the subversive movement all over the country, as SL has explicitly stated.

All of this winds up tying in with the authoritarian cultural strains that cut across society at large and that permeate the lower-income groups with their own peculiar characteristics. We can see that the sensitivity to terror, violence, and deaths resulting from them is weak, owing in part to the lower classes' familiarity with death, as Gustavo Gutierrez once pointed out. This attitude is fueled both by the severe inefficiency of our democratic institutions in settling conflicts and by their having to tolerate the endless hardships of austerity policies.

The Growing (?) Attraction of Shining Path

The poll's most important finding unquestionably has to do with the public's impression of Shining Path as a political group (Table 4). It gets a favorable rating from only seven percent on the average (compared to 49 percent for the Liberty Movement, which received the highest percentage of support). Nevertheless, if we do a breakdown by stratum, we find that SL enjoys a favorable image among 11 percent of the respondents in the poorest stratum and among 9 percent in stratum C. Together they represent 20 percent, to which we can plausibly add at least 50 percent of those who did not specify an opinion, in the view of Alfredo Torres, the director of Apoyo's public opinion studies. Given the nature of the question, all indications are that people in the poorest segments are concealing their sympathies for SL because they fear the forces of repression, which are constantly conducting dragnet operations among these specific groups.⁶

If the poll's findings are accurate, then SL has the overt support of or a favorable image among 7.14 percent of Lima's population; this rises to 12 percent if we include, conservatively, half of those who did not respond.

The respondents' opinion of Abimael Guzman (Table 5) is even more shocking. Asked whether they thought favorably or unfavorably of a series of national political

figures, the respondents put Javier Perez de Cuellar on top with a 77 percent favorable rating and Guzman on the bottom with 6 percent. Nevertheless, if we analyze by stratum, we find that the favorable view of the SL leader rises to 17 percent in the poorest stratum; combined with the 3 percent in stratum C, this is equivalent to 10.4 percent of the population of Lima. We derived this percentage after again adding in, for the reasons already mentioned, half of those not responding (11 percent). It bears mentioning that support for Polay, the head of the MRTA [Tupac Amaru Revolutionary Movement], amounts to just 3 percent among the respondents in stratum D; in contrast, his favorable rating is highest in stratum B.

If we recall once again that this poll was conducted in June, the month with the highest death toll in 10 years of violence and a growing number of bombings, we have to infer that people sympathize with or think favorably of SL in spite of the social and economic costs of the violence and destruction that it is leaving in its wake.

The spread of support for subversion in broad low-income segments has to do with the collapse of the State, which is increasingly unable to meet their basic needs; on top of this, our institutions are so badly flawed that they can handle neither the conflicts among nor the demands of the people, which leads to a loss of respect for the prevailing legal system.⁷

But there is more involved than just Shining Path's proposal to destroy what it calls the "old State." Its actions enable it to channel the hatred, frustration, and powerlessness of larger and larger segments that are seeing their social rights trampled or ignored, rights that the State is safeguarding in theory only.⁸

In order to understand this phenomenon, we must unquestionably cite not only the breakdown and ineffectiveness of the left in channeling grassroots grievances but also the virtual uselessness of the political-party system; what people think of it today can be gathered largely from their negative opinion of Congress.

It would also seem that the SL methodology, based on terror, is showing itself to be somewhat effective in building a new order. One of its biggest successes has been its strategy of supporting the coca-shrub growers in the Huallaga. After the period of General Arciniega, SL began protecting the peasant farmers there again not only against drug traffickers but also against the State.

Moreover, we know that the subversive group has managed to build a social base in the most economically depressed zones (in contrast to the areas in the central highlands, where the "peasant self-defense patrols" are spreading with the support of the armed forces), restoring order and reining in the abuses that rustlers, merchants, or usurers commit against the peasants. As Nelson Manrique indicates, the widespread and cruel violence and terror that Shining Path has engaged in there have not been an obstacle to the development of a social base.⁹

Finally, in organized labor we are today starting to see conditions in which SL is finding support and, moreover, performing a certain function in connection with union demands.

All of this is doubtless compounded by a key weakness of the strategy for battling subversion. Ongoing human-rights violations do not reflect a respect for the law. Paradoxically, the law is still seen among those in the battle against subversion as an obstacle to its effectiveness.

The factors described here unquestionably create conditions in which the terrorist organization can pursue its strategic goal for this stage: the campaign to "spur the support bases" (as stated in recent documents published by EL DIARIO).

The poll contained a revealing final question about the future of Shining Path (Table 6). Not only do ever fewer respondents believe that it will be defeated (25 percent versus 36 percent in June 1990 and 44 percent in May 1987), but it is even more noteworthy how many people in the poorest stratum believe that SL will be victorious (15 percent). Combining this percentage once again with half of the many who did not respond (23 percent), for the reasons explained above, yields a worrisome 38 percent who believe that Shining Path will be victorious. This is equivalent to 14 percent of the lower-income population of Lima.

These percentages, which are quite consistent with the support found for SL, should thus be taken as signs of a conviction and potentially a hope that such a victory will come to pass.

Given the despair, the skepticism about the government, and the pessimism about the future among sectors that the crisis has driven to intolerable poverty, an option for deliverance seems to be taking shape for them, one that will see to it that "the shoe is on the other foot," as the well-known protest song goes, no matter what the social cost. This is the price that will have to be paid, in SL's messianic view, in order to "demolish" once and for all the prevailing social order based on infuriating, and indisputable, inequalities.

[Box, p 44]

Stratification of the Sample

Stratum A: Five percent of the population of Metropolitan Lima. Upper-middle class; political class; employers and executives in big business; high-level bureaucracy in state-run enterprises; upper stratum of liberal professionals.

Stratum B: 24 percent. Professionals; merchants; high-level employees of the public sector; highest-income segment of the underground economy.

Stratum C: 39 percent. Wage-earners in the private sector; employees of private companies; merchants in the underground economy.

Stratum D: 33 percent. Wage-earners in small-scale business; public sector employees; lower-income merchants in the underground economy; the unemployed.

The stratification was developed pursuant to the socioeconomic levels worked out by Apoyo in June 1990 (numbers rounded off).

Footnotes

1. The poll was conducted by Apoyo in June of this year. It divides the population into four socioeconomic levels based on several criteria (income, education, housing). The sample reflects the actual weighting of the levels: A, 4.9 percent of the population of Metropolitan Lima; B, 23.6 percent; C, 39 percent, and D, 32.5 percent. Alfredo Torres indicates that stratum D accounts for 57 percent of the population in the nationwide stratification. In the new stratification that Apoyo is developing, Torres adds, this stratum is thought to have grown considerably over the past year.

2. Poverty and squalor, social injustice, abuses, and exploitation add up to 66 percent.

3. The Bernaldes Commission report says that during the first year of Alan Garcia's administration there were 1,268 deaths, compared to 3,106 during the first year of the Fujimori administration.

4. According to the report, the percentage of disapproval was up 10 from the previous month.

5. Arendt, Hannah, "Sobre la violencia" [On Violence], Mexico, 1970.

6. Alfredo Torres says that there was a very specific precedent here in the last election, the results of which reflected a hidden vote for Fujimori that the polls failed to record.

7. The findings of the poll are revealing. Asked what the government ought to do with its revenues, 31 percent replied that it should spend them on education; 22 percent chose health care, and another 22 percent indicated that they should be used to boost the salaries of civil servants.

8. As is clear from widespread testimony gathered among lower-income and union sectors.

9. In the words of Nelson Manrique, "the legitimacy of authoritarian violence stemmed both from judging it to be inevitable ('natural') and from the fact that it appeared as the creator of a new order that replaced the one that had previously broken up. This violence was directed initially at the representatives of caciquism (rustlers, merchants, abusive authorities of the lowest rank); it also struck at the peasants who were part of the cacique base and at those who will be called 'enemies of the revolution or the party.'" ("La decada de la violencia" [The Decade of Violence], in MARGENES, No. 5/6)

10. In this connection, see Carmen Rosa Balbi's article in issue 45 of DEBATE, in which she analyzes under what conditions SL can begin gaining support in organized labor.

Table 1. Why Is Subversion Justified in Peru Today?
(percent)

Response	Total	Socioeconomic Level			
		A	B	C	D
Poverty/squalor	33	100	43	29	32
Social injustice	20	0	0	29	18
Abuse/exploitation	18	0	14	21	16
Economic crisis	14	0	14	4	23
Corruption/immorality	12	0	29	13	7
Government's failure	2	0	0	0	4
Centralism	1	0	0	4	0
Total: 100 percent actual base	76	1	7	24	44
Total: Weighted base	75	0	10	30	34

Base: All respondents who consider subversion justified in Peru today.

Table 2. Do You Consider Subversion Justified in Peru Today?
(percent)

Response	Total	Socioeconomic Level			
		A	B	C	D
Yes	17	2	9	18	23
No	78	96	88	78	66
Does not specify/no answer	5	2	3	4	11

Table 2. Do You Consider Subversion Justified in Peru Today?
(percent) (Continued)

Response	Total	Socioeconomic Level			
Total: 100 percent actual base	446	45	76	137	188
Total: Weighted base	446	22	105	174	145
Base: Total respondents					

Table 3. How Do You React to a Terrorist Act?
percent

Response	Total	Socioeconomic Level			
		A	B	C	D
I condemn it	64	91	76	65	51
I do not care	16	4	12	18	19
I condone it	11	2	8	8	19
Other	1	0	0	0	2
Does not specify/no answer	8	3	4	9	9
Total: 100 percent actual base	446	45	76	137	188
Total: Weighted base	446	22	105	174	145
Base: Total respondents					

Table 4. In General, Do You Have a Favorable or Unfavorable Opinion of...?
(percent)

Group	Response	Total	Socioeconomic Level			
			A	B	C	D
Liberty	Favorable	49	71	60	45	35
	Unfavorable	29	8	27	29	40
	Does not specify/no answer	22	21	13	26	25
United Left	Favorable	33	22	16	39	43
	Unfavorable	43	53	67	38	25
	Does not specify/no answer	24	25	17	23	32
Shining Path	Favorable	7	4	0	9	11
	Unfavorable	83	93	100	82	58
	Does not specify/no answer	10	3	0	9	31
MRTA	Favorable	5	3	3	4	9
	Unfavorable	84	97	97	87	59
	Does not specify/no answer	11	0	0	9	32

Weighted base: All respondents who are familiar with these parties.

Editor's Note: In this table we have included, as a reference for readers, only some of the political groups mentioned in the original poll.

Table 5. In General, Do You Have a Favorable or Unfavorable Opinion of...?
(percent)

Response	Total (percent)	Socioeconomic Level			
		A	B	C	D
Abimael Guzman					
Favorable	6	0	8	3	17
Unfavorable	77	88	83	76	61
Does not specify/no answer	17	12	9	21	22
Alan Garcia					
Favorable	19	7	14	18	27
Unfavorable	64	78	78	64	51

**Table 5. In General, Do You Have a Favorable or Unfavorable Opinion of...?
(percent) (Continued)**

Response	Total (percent)	Socioeconomic Level			
Does not specify/no answer	15	15	8	18	22
Alberto Fujimori					
Favorable	39	32	35	38	44
Unfavorable	38	39	43	40	30
Does not specify/no answer	23	29	22	22	26
Victor Polay					
Favorable	10	13	21	56	3
Unfavorable	756	80	75	79	65
Does not specify/no answer	15	7	4	16	32

Weighted base: All respondents who said they recognized these names.

Editor's Note: In this table we have included, as a reference for readers, only some of the political figures mentioned in the original poll.

**Table 6. What Do You Think About Shining Path's Future?
(percent)**

Response	Total	Socioeconomic Level				Political Orientation			
		A	B	C	D	Left	Center	Right	Apolitical/Does not specify
It will triumph	8	0	5	4	15	21	6	8	7
It will be defeated	25	56	28	26	18	16	32	38	21
It will abandon the armed struggle	29	22	36	33	21	41	32	26	27
Does not specify/no answer	38	22	31	37	46	22	30	28	45
Total: 100 percent actual base	446	45	76	137	188	40	83	51	272
Total: Weighted base	446	22	105	174	145	39	85	52	270

Base: Total respondents

Names of Arrested Guerrilla Members Published

PA1410144891 Lima Global de Television Network
in Spanish 0100 GMT 12 Oct 91

[Text] The National Police's Counterterrorism Directorate, DIRCOTE, presented to the press on 12 October a group of Shining Path annihilation commandos who had been captured in a house in El Callao.

Those arrested are: Marcos Ocallapunto Nunez, 30, alias Comrade Daniel; Victor Javier Olivos Pena, 27, alias Comrade Boris; Ana Pilar Castillo Villanueva, 25, alias Susana or Rosario; brothers Carlos and Florian Donato Tapia Lopez; and Jaime Garcia Alana, alias Comrade Lucho.

According to DIRCOTE, they are all members of a group of Shining Path annihilation commandos whose operations center was located at No. 22-47 La Paz Avenue in La Perla Alta, where they were captured on 8 October.

During the arrest, the authorities seized, in addition to issues of EL DIARIO, Russian cheeses; a submachine gun; ammunition pouches; cartridges; and the university identification card of retired Army Commander Artemio Collado Gomez. Gomez was killed on his way to the

Catholic University along Venezuela Avenue on 4 October. He was pursuing a career in human science.

According to the police, the arrests were made after a DIRCOTE watch on the house in question. The house is owned by Felix Anzual de Vicuna, and six commandos were captured as they planned terrorist actions and celebrated the founding of the Communist Party of Peru.

Roundup of Rebel Activities 5-12 Oct

PA1310135791

[Editorial Report] The following is a compilation of reports on rebel activities in Peru monitored by Panama Bureau between 5 to 12 October.

Lima Global Television Network in Spanish at 0100 GMT on 11 October carries a one-minute report that "six Shining Path terrorists and an Army corporal were killed" during a clash in the district of Tierras, Ayacucho Department, when a subversive group was intercepted by an Army patrol.

Paris AFP in Spanish at 1445 GMT on 6 October carries a 100-word item with a Lima dateline citing a Peruvian police report that Juan Corillocla, a leader of the Marxist

United Front, was killed on 5 October by two hooded men in a downtown neighborhood of Huancavelica, 522 km southeast of Lima. The Shining Path guerrilla organization, which has been active in the region of Huancavelica, has not claimed credit for the attack. According to a police report, "the method of the crime is not that of the terrorists" and the victim may have been killed by an ultrarightist group.

International Bids for Nuclear Center Sought

*PY1710213691 Madrid EFE in Spanish 1730 GMT
16 Oct 91*

[Text] Lima, 16 Oct (ANDINA)—Today's issue of the official newspaper EL PERUANO publishes the text of a draft government resolution which approves the bases and conditions for an international bid—by invitation—for commercially exploiting the facilities and services of "Racso" [Oscar Miro Quesada de la Guerra Nuclear Center]. The publication follows the government policy of consultation before making decisions.

The first article of the draft resolution approves the bases and conditions of the international bid and authorizes the selection of firms interested in the commercial exploitation of the facilities and services of "Racso." The nuclear center is located in Huarangal, Carabayllo District.

The Peruvian Institute of Nuclear Energy (IPEN) does not have enough resources to investigate new possibilities and so the government considers it in the national interest to invite international private companies to exploit and produce commercial products at the "Racso" nuclear center.

Private companies will be able to form joint ventures to exploit three production areas: the reactor, the production plant, and the treatment of radioactive waste.

The document reads that in view of the special importance of products that might be produced it will be necessary to organize a private bid to select firms to participate in the bid.

The document also reads that if the project is successful Peru will benefit because it will operate at higher technological levels, with new equipment, and produce new items.

Peru would also be able to enter the world market through the associated firm, and at the end of the contract Peru could continue to produce for that market.

Government Cancels Asylum for Two Panamanians

*PA1810044891 Paris AFP in Spanish 0411 GMT
18 Oct 91*

[Text] Lima, 17 Oct (AFP)—The Foreign Ministry issued a communique on 17 October reporting that the

government canceled the political asylum granted to Panamanian citizens Gonzalo Gonzalez and Heraclides Sucre Medina.

The communique reads: "The cancellation is because of the fact that the Panamanian citizens did not comply with regulations contained in international agreements and because of their flagrant violation of the legal procedures regulating the juridical status of political refugees in Peru."

Gonzalez and Sucre, whose extradition was requested by the Panamanian Government, were granted political asylum in Peru on 8 January 1990. Peruvian authorities are currently unaware of their whereabouts.

Uruguay

Mercosur Summit in Punta del Este Confirmed

*PY1710150891 Madrid EFE in Spanish 0348 GMT
16 Oct 91*

[Text] Montevideo, 15 Oct (EFE)—Uruguayan Foreign Minister Hector Gros Espiell confirmed today to the Uruguayan press that the presidents of the four countries that comprise the Common Market of the South (Mercosur) will meet on 17 December in the Uruguayan town of Punta del Este.

The foreign minister added that the meeting of the presidents of Argentina, Carlos Menem; Brazil, Fernando Collor de Mello; Paraguay, Andres Rodriguez; and Uruguay, Luis Alberto Lacalle, will be organized shortly after the enforcement of the treaty, signed on 26 March 1991 in Asuncion.

The Mercosur must be ready to function among these four countries by 1 January 1995 with tariffs at zero and no restrictions on any taxable merchandise and services.

Fishing Company With Soviets To Be Formed

*PY1710145291 Montevideo EL PAIS in Spanish
30 Sep 91 p 21*

[Summary] Uruguayan businessmen and Soviet fishing officials recently signed a preliminary agreement to form a joint company to produce protein from fish. The pre-agreement includes a negotiation protocol, statutes, an agreement for fishing, production of protein food, and processing of medicines from maritime resources. The fishing company that will be formed will have three Soviet and three Uruguayan members. The two partners will have equal participation in the enterprise. The document was signed by Uruguayan businessmen Luis de Barbieri, Fernando Munoz, and Captain Yamandu Ortiz Gibert, and Soviets Dmitriy N. Severov, a scientist; Kamil A. Bekyashev, a lawyer; Eugeny P. Gubanov, from the Fishing Corporation for the Southern Seas (Yugrybpoisk), which will supply the fishing ships; and Aleksandr Kartintsev, deputy director of the Vniro Oceanographic and Fishing Institute.

Venezuela

Presidency Clarifies Perez Remarks on Haiti

PA1710145591 Madrid EFE in Spanish 0059 GMT
17 Oct 91

[Text] Caracas, 16 Oct (EFE)—The Venezuelan Presidency denied on 16 October that President Carlos Andres Perez has said, as a Caracas newspaper reported, that "nonintervention in Haiti would encourage coup attempts in Latin American democracies that are in a pre-coup phase, such as Guatemala, Peru, and Brazil."

The Presidency issued a communique in which it clarified that what Perez said was that "if the coup in Haiti is successful, it would not only break the constitutional order, but might foster the illusion in other countries of the region that it is possible to take a step back in history."

The official communique indicated that "Venezuela has been committed to the democratization process in Latin America." It added that its current commitment "is to defend democratic institutions, as was agreed upon by the 34 OAS member countries in Santiago, Chile."

The communique stated that in his remarks, President Perez "referred to that unyielding position of Venezuela" and to the possibility that the coup might be imitated, but without mentioning specific countries.

The government, the communique concluded, denies the newspaper's report and it reiterates its complete confidence in Jean-Bertrand Aristide's reinstatement as Haitian president and in "Latin America's firm democratic stability."

Aristide was overthrown by a group of officers led by General Raul Cedras on 30 September.

*** Privatizations Cause Anxiety Among Workers**

92SM0010A Caracas EL DIARIO DE CARACAS
in Spanish 20 Sep 91 p 8

[Report by Ingrid Castellanos]

[Text] Twenty million people were waiting to hear the message over radio and television that day. A flood of new measures was to fall like cold water on Venezuelans. The slender figure of the president, wearing his glasses, announced a "major package" in which the words "coordination and reprivatization" were favorites of cabinet members, not to mention the president himself. More than this, though, what was initially called "reprivatization" was to emerge from the economic package like a magic wand that would make the country's least productive public agency shine and grow.

"This is not going to be pleasant for anyone," writer Arturo Usler Pietri replied; he was one of the many who were consulted about the president's speech. "We must proceed

carefully so that the sacrifices are shared, because there are a lot of cunning people all over," he cautioned.

Peruvian writer Mario Vargas Llosa, who was on an official visit to the country on 17 February 1989 in connection with his presidential candidacy, said: "The measures are realistic, although they will have a social cost."

The package's arrow was aimed in several directions. State-run agencies and their hundreds of thousands of employees were nonplussed by the announcement. It was obvious (and the results are now beginning to be seen) that the government was going to suffer the consequences of a large-scale restructuring, which the president described as follows: "In the fiscal area the national government will begin rigorous discipline in its spending in order to reduce the budget deficit, whose pernicious inflationary effects have made themselves felt in recent times."

Of what was this rigorous discipline going to consist? civil servants immediately asked. A reply was not long in coming: "To this end," Carlos Andres Perez continued, "we have ordered a freeze on the number of people employed in government and have established the obligation to fill vacancies with personnel from the agency itself. Excess personnel in one service must be transferred to others in which they can be more efficient." But what the president did not say that day was that besides the freeze, there were going to be cuts in staffing.

On 16 February 1989 Carlos Andres Perez also announced the creation of the National Liquidation Enterprise, which was to be in charge of promoting and facilitating the process of "reprivatizing" those public agencies whose administration by the State until then had not been profitable. Two years later the president openly told civil servants on their day that there were surely going to be a great many dismissals.

What Are They Going To Do With Me?

Since then elevators, corridors, offices, cafes, and restaurants have been the places where civil servants have stitched together the most intricate theories about their own jobs. Are they going to retire me? But I have not put in 20 years in the enterprise! In the meantime, others expressed their fear of being on a list of dismissals or of not having their contracts renewed. "Privatization" has thus become a word that may disguise the government's intention of starting a wave of firings. When economist Maza Zavala said this, it prompted an immediate reaction of "resistance to privatization" from political parties, union organizations, and public opinion in general, as by and large they were not sure how far this measure would go.

Then, however, Minister Gelber Torres, the president of the FIV [Venezuelan Investment Fund], raised his voice above the others to convince the public that privatization was going to be good for everyone, even the public in general, "who will win because business will expand, boost the production of goods and services, and create jobs."

Things Begin To Stir

The INAVI [National Housing Institute] headquarters in Chacao is located in a ostentatious black building that was inaugurated four years ago. The so-called restructuring has pushed many into retirement. Some 800 people have left since March of this year.

INAVI, whose president is Jose Rafael Velasquez, has orders to cut its payroll. Whereas previously it had 1,700 workers, now only 1,050 are left.

Emiro Millan, the secretary general of the INAVI Workers Union, says that there is still a rumor going around that after the retirements "there are going to be dismissals because INAVI says that it has no way to defray its costs." How have civil servants survived this psychological war? Erasmo Pena, a blue-collar worker who was recently pensioned off, explained what it feels like to be in this situation. "I left on 27 June with 100 percent of my salary. The people who stayed behind are the ones who are anxious. The problem is that if they are going to privatize this, who is going to be stand up for our wages? A clause would have to be put in the collective-bargaining agreement saying that Mindur [Ministry of Urban Development] will have to assume responsibility for retirees."

Erasmo Pena, who is also a member of the blue-collar workers union, relates that the individuals who have more than 15 but less than 20 years on the job "are worried because they do not know what is going to be done with them. They are already over 50 and cannot get jobs elsewhere."

There is also a strong rumor among employees that the payroll is going to be cut in December. "They say that they are going to cut 3,000 and have a list of 1,200 for retirement," someone remarked in the corridors.

A woman employee said this in another office: "I feel that the situation is on hold right now. There was indeed panic for several months. People calmed down because they began with the retirees, but we are still jumpy."

In any event, the unions are worried. They have information that INAVI plans to cut its payroll in half. Nevertheless, "we enjoy tenure because on 16 July Fedeunep [National Federation of Public Employees] submitted a draft collective-bargaining contract to the Labor Ministry requesting higher wages."

Two-hundred and sixty employees at the Permanent Automotive Registry (RAP) were dismissed last Friday; they were told only that Ipostel [expansion not given] had no more money in its budget. People who were still on vacation were said to have been on the list. Even women on postnatal leave. The workers are now engaged in efforts with the Labor Inspectorate because they were left without a livelihood from one day to the next. Even though they have MTC [Ministry of Transportation and Communications] cards, the MTC does not take responsibility for dismissals.

"The MTC cannot talk about budget deficits when they themselves were the ones who overloaded the payroll with political patronage," said Zoilo Guzman, a member of the Conflict Committee. The danger in the RAP remains. Only 400 of 650 employees are left, and there are plans to fire 10 percent of them.

The 1,500 workers forced into retirement last year were taken by surprise when the payroll at the Ministry of Health was reduced and frozen, even though the call there has been for "decentralization," not "privatization." "And they are going to keep on pensioning people off, but we are not going to accept firings. During Jaime Lusinchi's administration they kicked out 4,000 people here just because they were not registered in the ruling party," exclaimed Mendis Marcano, the president of the Union of Employees of MSAS [Ministry of Health and Social Welfare] (SEP [Secretariat of Public Education]).

At the National Institute of Nutrition, Paulino Rodriguez, the director of administration, stated that the first step in the restructuring was to freeze hiring and that overtime and substitute workers have already been eliminated.

The Education Ministry has handed out 264 pink slips to administrative officials. They were given promises that they would be relocated in schools or in jobs of equal rank in another government agency.

"Generally, this is a lie because a month later you get a note signed by the minister regretting that they have not found a place for you in government and good-bye," one source revealed.

But the cuts in public spending have also hit Miraflores, where it has been learned that there is no cleanup staff because as of last month Miraflores did not renew its contract with a private firm (Splendor). So now there is no one to clean up Bicentennial Plaza, and the workers who are left are quitting because they are overworked.

"All of the offices are dirty and full of dust now. The supervisors have to do the sweeping, and that is not their job."

But Miraflores has taken very seriously the principle that "the law starts at home," and even though all of the waste-paper baskets are full, they will not hire anyone. All because of the "restructuring."

* Commission Threatens To Block CANTV Sale 92P40018A

[Editorial Report] Caracas EL DIARIO DE CARACAS in Spanish of 4 October on page 26 reports that a legislative commission is threatening to block the government's sale of the National Telephone Company of Venezuela (CANTV).

Luis Raul Matos Azocar, president of the Chamber of Deputies' special commission on privatization, says he may take the authorities in charge of the CANTV's

privatization to court if they attempt to sell the company for under \$4 billion. He claims that the officials themselves stated that \$4 billion was a fair price, taking into account telephone service prices on the international market. Regarding the rumored \$2 billion selling price, he remarks: "We cannot accept this base price of \$2 billion, or \$2.5 billion which has been mentioned, particularly after the announcement that the government would be assuming the company's debt."

Matos Azocar is critical of other aspects of the privatization plan as well. He notes that neither the share price for CANTV stock nor the interest rate for financing have been set. In addition, he is concerned that, as was the case with the Viasa Airlines privatization, the government will decide who represents the workers, rather than the workers themselves. He doubts that the CANTV's privatization will be completed on schedule unless his commission's concerns, especially the price issue, are properly addressed.

* Central Bank President on Inflation, Debt

92SM0016A Caracas EL DIARIO DE CARACAS
in Spanish 16 Sep 91 p 23

[Interview with Pedro Tinoco, president of the Central Bank of Venezuela (BCV), by Felipe Saldivia: "Tinoco: Debt Conversion Must Be Reexamined"; place and date not given]

[Text] After the aluminum and tourism megaprojects, the conversion auctions may return. "It is possible and probable that inflation will be reduced to a single digit." Reductions in spending and imbalances will restore reserve monies to the rightful place. A productive Venezuela will need funds from the money market given the speed of its expansion.

Pedro Tinoco, president of the Central Bank of Venezuela, emphasizes that the cash reserve is temporary. He knows it basically increased due to excessive spending. He believes a balance will be achieved between the nominal and real exchange. His vision of the economy is that of a country with sufficient expansion so that, beginning in 1995, we may reduce the current and future debt. This with the help of the so-called megaprojects, via direct investment or debt conversion, "which no longer seems like such a good deal."

[Saldivia] According to the external financing strategy presented by Cordiplan [Office of Coordination and Planning], new debts, after adjustment of the debt at \$9,113,000,000 and running until 1995, total \$8,415,000,000. In other words, the country is in debt for an amount exceeding the service on the adjusted debt for the same period. How do you feel about this?

[Tinoco] We must remember that when we reach that point (31 December 1995, with an actual debt of \$17,528,000,000), we will have a larger volume of exports. The megaprojects will be in operation. PDVSA [Venezuelan Petroleum, Inc.] oil activities will have

expanded and our capacity will therefore be much greater. Starting in 1995, the actual debt must start to drop. From that point on, outside credit must not be credit obtained by the government. Credit must be obtained by each project and paid for by the revenue generated by that project.

[Saldivia] With respect to the megaprojects, we understand that the quotation of the Venezuelan debt on the secondary market is such that those who previously intended—as is apparently the case of Alcoa—to convert the debt into investments prefer to make such investments directly without using that mechanism. What do you think of this?

[Tinoco] The Venezuelan debt has been gradually upgraded and its quotation has risen on the secondary market as a reflection of the improved situation of the country's economy and our improved balance of payments, with a surplus in 1989 and 1990 and so far in 1991. At the present time, the restructured debt eligible for conversion into investment, which at its lowest level is about 70 percent [as published]. In other words, the conversion approach is not as good as it was last year when we had a debt of around 40 percent. For some companies, this margin of between 70 and 100 percent is still attractive, while for others it may not be. It all depends on the cost of the money one can obtain.

[Saldivia] Based on this then, do you think there may again be auctions for conversion of the debt?

[Tinoco] It all depends on what happens with our debt. I am one of those who think our debt will continue to go up value, partly because the country's economic situation is getting better, international agencies have reclassified us, and I think that by the beginning of the year, we may have another upward classification. In addition, interest rates on the American market have been dropping, meaning that the comparative profit margin favors us.

[Saldivia] The auctions were suspended, partly in order to select investors and open up a quota for the megaprojects. With such a reappraisal, do you think the auctions will return?

[Tinoco] We cannot say absolutely that the megaprojects will not use debt conversion.

This year, a large share of the debt was converted for the petrochemical megaprojects at these lower margins. We must now see what decision the three big aluminum projects make. The information we have to date is that none has discarded conversion. They are still analyzing and evaluating. As far as tourist projects are concerned, all our information—which is still not official because it is not yet time to present their finance programs—indicate that they intend to use conversion. Furthermore, in the future I do believe there will be less interest in conversion and that it is a mechanism that must be reevaluated in order to see whether returning to a system of auctions would be appropriate. It will all depend on the situation of the market at that time.

Reserve and Spending

[Saldivia] Based on the explanation you gave in Miraflores, the BCV expects to take in 100 billion bolivars this year by increasing the reserve. It was also reported that the expanded liquidity stemming from overestimated spending by the government and the PDVSA is 104 billion bolivars for this year. Could it be said that if the government and the PDVSA had not engaged in excessive spending, it would not have been necessary to increase the reserve?

[Tinoco] That is basically correct, as long as other factors affecting the monetary market remain stable. The combined impact of public spending and the PDVSA investment program yields approximately 100 billion bolivars. Monetary measures, combining the reserve with some use of the zero coupon, make it possible to drain off those 100 billion bolivars.

[Saldivia] When the bank reserve on deposits of the public sector was raised, the banks raised the active rate, but now that the reserve is raised on all deposits, liabilities have begun to drop. Is it normal for savers to be affected due to excessive spending by the government and PDVSA?

[Tinoco] What we plan and what is going to happen is for the National Government to take a series of measures involving fiscal discipline. Several of these measures have already been designed and implemented. Budget shortfalls have been declared amounting to nearly 20 billion bolivars. PDVSA investment spending has been reduced by 22 billion. Another series of measures, some reducing spending and others generating revenue, will gradually be implemented. Once these measures are put into effect, the need for such reserves will gradually disappear and they may then be reduced or removed. We must remember that reserves are a circumstantial measure of a temporary rather than permanent nature. The final objective is for money placed in reserve to be used by the real economy for its expansion or expansion of the productive apparatus.

In Search of Surplus

[Saldivia] Of a projected deficit of 4.7 percent for this year, we shall seek by various measures to produce a surplus of .5 percent. Among these is a PDVSA payment imbalance of 17,866,000,000 bolivars. On the basis of what investments will these payments be postponed?

[Tinoco] We are completing our analysis both of the PDVSA and government spending in order to plan how the postponement will be accomplished in each case. It should be ready very soon. The postponement of spending is for the first half of 1992. It is nearly always done on the basis of projects that are not far along.

Real Exchange

[Saldivia] The BCV has been concerned about the increase in the real exchange rate. Inflation has been

somewhat higher than the nominal rate of exchange. What does the BCV intend to do given the fact that minidevaluations have been ruled out?

[Tinoco] The BCV's proposal, in keeping with the overall economic program, is to maintain a free and floating system of exchange and keep it reasonably stable in real terms. While we still have substantial inflation, we cannot maintain stability at the nominal rate of exchange. If we tried to do so, we would lose our ability to compete in exchange relations. We are trying to diversify and expand nontraditional exports. We have opened up our market to imports through the commercial policy and, in order to function properly, both require that the real rate of exchange be reasonably maintained. We do not want an under or overvalued bolivar. These balances obviously are not produced in an arithmetically precise manner each day. It is a trend and we try to accomplish it through the natural action of the market. When we see that the real rate of exchange is getting out of balance, we can intervene in the market to try to correct it.

[Saldivia] There is a considerable gap at the present time, meaning that you will have to take drastic action by the end of the year. Is that not true?

[Tinoco] At the present time, I would say that we have not reached that precise point, but are definitely moving toward it.

[Saldivia] You have said over the past two years that you will try to bring inflation down to a single digit. How do you view that goal today?

[Tinoco] It is feasible if we combine the action of three fundamental factors. In order of importance, the first is to maintain fiscal discipline and have a balanced fiscal system, preferably with some surplus. Second, we must have a strict monetary policy in order to keep the level of money in circulation at the amount required for normal operation of the economy. Monetary policy must be based on close observation of the money market, which we do day by day in order to drain off all excess liquidity gradually. These surpluses put pressure on prices and create inflation. The third factor is the introduction of greater factors of competition into the market. This began when we opened up our commercial policy and began to attract foreign competition in order to serve as a price stabilizing factor on the market. The best way to fight speculation is through competition.

Money Market

[Saldivia] The changes that will be proposed in the draft Money Market Law are the very ones proposed for the bank. What are your expectations concerning that market?

[Tinoco] We believe that in order for the country to have sound development in the private area, such development must not be financed exclusively—at least not

beyond a prudent amount—by credit. Rather, the expansion of productive activities must be achieved on the basis of capital funds sufficient to provide companies with stability. This means that if our economy expands—as we believe it is possible and likely that it will—within the existing economic atmosphere, companies will need capital resources faster than they have the capacity to generate them. Even if they capitalize profits, they will not have adequate funds to continue to maintain a reasonable amount of capital within a process of reorganization and expansion. This means that the country will require a much broader money market than what we have at the present time. What we are trying to do through our reform of the money market is to expand it so that it will serve as a source of capital for the expanding development that we hope private productive activities will enjoy in the years ahead.

* Commentary Analyzes AD Internal Elections

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[Article by Diana Ramon Vilarasau; quotation marks as published]

[Text] While each faction continues to exaggerate the figures in its own favor, very few points seem to separate them. However, they do point toward "proportional representation" for renewalists with great potential for the final standoff. This faction has recognized the orthodox group's victory in terms of votes, but not delegates.

Even before final figures were released by the Democratic Action's [AD] Internal National Election Council (CEIN), representatives of the two rival factions held separate press conferences claiming to have won the rank-and-file election Sunday. What is shaping up is a hard-fought battle at the national convention with great potential for "surprises." This fact alone is a victory for Hector Alonso and "Perecism" [followers of Perez].

It was already after 2000 hours last night when CEIN released the second official bulletin containing the results of 5,358 ballots counted out of a total of 6,258 (900 from the interior are still out). The figures reconfirm the orthodox lead over renewalists by a vote of 249,646 to 208,024, a difference of 41,622.

However, neither renewalists nor the orthodox faction waited for those results before releasing their own version of the figures, with one noteworthy feature: Renewalist Gustavo Orlando Lopez went out on a limb and offered precise data, sectional by sectional, on the delegates that each faction would carry to the national convention. While recognizing the orthodox victory in 16 sectionals (some of which had a very tight race), he guaranteed that renewalists had achieved a victory in the sectionals with a larger volume of delegates, guaranteeing them 807 votes compared with the 752 won by the orthodox group from representatives elected on Sunday.

For his part, Gustavo Mirabal Bustillos, the CEIN orthodox representative, also decided to give out his figures, warning that this ran counter to the decision made by his faction based on the attitude of its rival. He nevertheless admitted that he was not "prepared" to give certain figures because he did not know that renewalists would beat him to CEIN. He maintained on 60-60 that he could not translate votes into delegates by sectionals, lumping the 1,274 orthodox delegates together without dividing them into elective or automatic and claiming an advantage of 400 for the national convention.

While this "war of the Gustavos and over figures in the 'new CEN' [National Executive Committee]" was taking place, the labor bureau met in the "old CEN" and decided to serve as spokesmen for what will apparently be the final result at the national convention: a unified agreement on the makeup of the next CEN at the national convention.

Renewal "Victory"

Before releasing the results tabulated by renewalists, Gustavo Orlando Lopez, sporting a hat and pipe like a revived "Romulo," first extended public recognition to—as the "heroes of this process"—AD members who had waited hours and hours and tolerated problems stemming from a general lack of organization of lists, tables, and election materials, and to the National Guard, which did its utmost to maintain order during the elections.

He then recognized the victory of the orthodox faction in 15 sectionals, where it won 51.18 percent of all AD votes, while renewalists won in 9 sectionals and 47.14 percent of the votes. The two factions tied in another sectional. However, while the orthodox faction did win over 50 percent of the votes, the same is not true of the delegates since, according to the renewalists' tabulations, the orthodox group did not win the highest percentage of sectionals with the largest number of delegates. In addition, renewalists won proportional representation in sectionals won by the orthodox group by obtaining over 25 percent of the valid votes in those sectionals.

Consequently, according to renewalist figures, these voting percentages are inverted when transferred to delegations, sectional by sectional, with 807 delegates for renewers, or 51.76 percent of all participants elected to the national convention, and 752 for the orthodox faction, implying 48.23 percent of the delegation to the final round.

Renewalists reportedly won the following sectionals (number of delegates R vs O): Caracas (R-113, O-75); Bolivar (R-53, O-30); Aragua (R-49, O-34); Merida (R-30, O-15); Nueva Esparta (R-19, O-5); Portuguesa (R-46, O-0); Tachira (R-45, O-29); Yaracuy (R-19, O-0); Zulia (R-95, O-68). They reportedly lost in the sectionals of Vargas (R-12, O-21); Anzoategui (R-34, O-47); Apure (R-70, O-17); Barinas (R-17, O-20); Carabobo (R-44, O-65); Cojedes (R-60-12); Cumana (R-35, O-21); Falcon (R-26, O-30); Guarico (R-24, O-27); Lara (R-35, O-52);

Miranda (R-62, O-30); Monagas (R-18, O-33); Trujillo (R-21, O-27); Amazonas (R-1, O-2); and Delta Amacuro (R-2, O-4). Renewalists and the orthodox faction reportedly reached a compromise in Carupano.

He said that sectionals where the election outcome is still uncertain or where they had won were Portuguesa, Merida, and Bolivar, noting that in Portuguesa, Lucia Barrios (niece of Gonzalo Barrios) had not won so much as a single delegate to the national convention.

Gustavo Mirabal denied the information of his renewal namesake. He said he regretted having to get involved in a fight over numbers, but that in the face of the renewalists' strategy of confusion aimed at the membership as well as public opinion in general, he could not "go down with his mouth closed."

First, he rejected the results released in Bolivar, saying that even the counts available were not decisive and that the orthodox faction had 35.53 percent of the votes there, compared with 22.21 percent for renewalists. Renewalist Raul Andres Leoni had 23 percent. Neither of the two obtained the 25 percent required by the statutes in order to have proportional representation.

Regarding Merida, he wondered how they could claim to be the winners in terms of delegates when the election had been suspended until next Sunday in the districts of Merida, Nueva Bolivia, Pueblo Llano, Acarigua, and Caracciolo Parra and the municipality of San Cristobal de Torondoy.

He then gave the voting percentages obtained in the different sectionals, which turned out to be not very different from those furnished the day before by his satellite operation. He confirmed the figure of 1,274 orthodox delegates, including both elective and automatic. He recalled that the orthodox faction had the largest delegation with Miranda, third-largest in the country, and Lara, claiming victory in Zulia and Carabobo. He said that if they lost in Caracas, it would be by a very narrow margin, as a result of which delegates from the capital would be quite divided. He concluded by saying that he was concealing no information, only that they were not prepared for this "early-morning information" claiming the contrary.

Trade Unionists: Unity

Federico Ramirez Leon, head of the trade union bureau, reported that that office was analyzing the results of last Sunday's election by crosschecking figures. He emphasized that neither of the two formulas would have obtained an absolute majority and that this requires proportional integration for the national convention. He claimed that this was due, to a great extent, to trade union alliances in the different states between renewalists and the orthodox faction and that, inasmuch as the labor sector made up 20 percent of the delegates to the final convention, they would promote an agreement on

writing a common platform, for which purpose representatives of both factions would meet.

He said that a definitive change had taken place in the AD with this process and that it should continue to take place in the minds of leaders and leadership of the party. "We must guarantee partisan unity behind whatever candidate we support."

[Box, p 28]

CAP's [Carlos Andres Perez] Formula Will Win Out in AD

The results of last Sunday's election by Democratic Action rank and file to pick delegates to the different conventions and plenary meetings seem to be a demonstration of "how to lose while winning and how to win while losing." In politics, given the system of choosing delegates by sectionals (based on low voter turnout in the last national election) and automatic delegates (delegates based on bylaws), 40 percent is not necessarily 40 percent and 60 is not necessarily 60.

Furthermore, based on how things are going, clearly there is nothing an AD member likes more than a last-minute alliance or compromise, and the self-styled "party of the people" talks daily about a "unified platform" (read "a budding makeup of the new CEN").

From the very first day of the process, Sunday, Hector Alonso Lopez proclaimed himself as new general secretary of the AD, interpreted as a "triumphalist strategy" whose purpose, when final tabulation of the votes was made known, was to create an atmosphere making it appear to be a "stolen victory," so as later to force an agreement and important "proportional representation" of the minority group, i.e., renewalists. The great mediator who would save party unity would naturally be Carlos Andres Perez, who assured his people of a place in the national party leadership.

However, the figures seem "beneficently" biased toward renewalists, even if the latter enjoy no numerical victory and the consensus will be achieved precisely by the narrow margin between the votes and delegates achieved by the two factions. The orthodox 60-40, scarcely overwhelming in itself, could turn into a 55-45 that would obviously force a consensus given the fear that things might improve in the opposite direction at the national convention.

Perez, the behind-the-scenes winner of this confrontation and without question the one gaining the most, seems to have taken the first steps toward such a consensus about whose terms there has been great speculation. Monday night, Ramirez Leon met with the president of Miraflores and the two talked of the "tight" results. The head of the trade union bureau yesterday acted as a spokesman for instructions from CAP, turning the bureau into the promoter of a "consensus platform" that will preserve "partisan unity."